



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

**Tenth Board Meeting
Geneva, 21-22 April 2005**

**GF/B10/7
Revision 1**

REPORT OF THE GOVERNANCE AND PARTNERSHIP COMMITTEE

Outline: This revised report from the Governance and Partnership Committee with its annexes gives an overview of the committee's activities and deliberations and offers several recommendations for decision by the Board. (Revisions are highlighted).

Decision Points:

1. The Board approves the changes to the CCM Guidelines regarding CCM oversight of implementation, as outlined in the Report of the Governance and Partnership Committee GF/B10/7, Annex 3.
2. The Board requests the Secretariat to work closely with partners (multi/bilateral partners, private sector) to facilitate and coordinate the provision of resources to support CCM secretariat functioning.

In countries where partner support for CCMs is not available, the Board approves the use of grants funds to provide CCM support, provided that funding is limited to the first two-years of the grant and meets the terms and conditions set out in Part 2 (para.16) of GF/B10/7.

3. The Board approves the revised text of paragraph 19 as outlined in the Report of the Governance and Partnership Committee
4. The Board approves the Memorandum of Understanding with the Global Partnership to Stop TB, attached as Annex 4 to the Report of the Governance and Partnership Committee (GF/B10/7), and requests the Secretariat to provide periodic reports on cooperation with the Global Partnership to Stop TB under the agreement.
5. The Board amends Section 18 of the Board Operating Procedures as follows:

18. Timing of Elections; Commencement of Terms

Elections of the Chair and Vice Chair shall take place at the first Board meeting of the year. In the case of a vacancy, elections to fill the vacant slot shall take place at the first Board meeting at which a vacancy exists.

The terms of office for Chair and Vice Chair shall commence upon the adjournment of the Board meeting at which the election is held, except in the case of elections to fill a vacancy, where terms shall commence immediately upon election.

Part 1: Introduction

1. The Governance and Partnership Committee met on Tuesday, 1 March 2004 under the leadership of the Chair, Mr Pasqualino Procacci, and the Vice Chair, Ms Dana Farcasanu, to pursue several ongoing issues and to receive updates on issues for which GPC holds a monitoring mandate. The meeting Agenda and the participants list are attached as Annex 1 and 2. In addition, the GPC continued the discussions on the CCM issues over email.
2. The deliberations of the Committee are summarized below with recommendations noted and further information provided in the annexes.

Part 2: Country Coordinating Mechanisms

1. In response to a request from the Board to further define the oversight role of CCMs in the implementation of Global Fund approved Programs, the GPC has reviewed various approaches in this area of work. In addition, the GPC responded to a request made at Ninth Board Meeting for the committee to investigate the Global Fund providing direct financial support for establishment and running costs of CCM Secretariats. A record of the deliberations and recommendations on these two issues are presented here.

Oversight Role of CCMs

2. The definition of the scope of this oversight role is particularly important given the Board's adoption of the following requirement for proposal eligibility at its Ninth Board Meeting:

CCMs are required to put in place and maintain a transparent, documented process to nominate the Principal Recipient(s) and oversee program implementation.

CCM compliance with this requirement will be used to determine eligibility of proposals submitted from Round 5 onwards and Phase 2 Requests for Continued Funding submitted from June 1, 2005.

3. The current CCM guidelines address this role as follows:

Part 3: Roles and responsibilities:

As the representative of all interested stakeholders at the national level for grants received from the Global Fund, CCMs are instrumental in developing proposals and overseeing the utilization of Global Fund resources. Therefore, the role of the CCM is to:

- *Monitor the implementation of activities under Global Fund approved programs, including approving major changes in implementation plans as necessary;*
- *Evaluate the performance of these programs, including of Principal Recipient/recipients in implementing a program, and submit a request for continued funding prior to the end of the two years of initially approved financing from the Global Fund*

Part 6: Operationalization of CCM Principles:

Para 15: CCMs are required to put in place and maintain a transparent, documented process to nominate the Principal Recipient(s) and oversee program implementation. The Secretariat will, as part of the proposal screening process, review

the documentation setting out the nomination process and the minutes of the CCM meeting on the nomination of one or more Principal Recipients (PRs).

Para 17: Proposals to the Global Fund should include a description of how the CCM will oversee the PR(s) implementation responsibilities and how the CCM will be involved in planning and decisions during implementation. Before the end of the two years of initially approved funding, the CCM will assess implementation progress and submit a request for continued funding to the Global Fund.

Para 18: Through the Grant Agreement with the Global Fund, Principal Recipients are obliged to keep the CCM continuously informed about proposal implementation progress. PRs should provide periodic reports to the Global Fund and to the CCM with programmatic and financial progress up-dates and an estimate of the usage of the grant proceeds by different CCM constituencies

4. The case study documentation undertaken by the Global Fund Secretariat in 2003 -2004 and discussions with CCMs during regional meetings indicated that:

- a. In general, CCMs do not fully understand their oversight role during implementation.
- b. PRs in many countries do not always share disbursement requests, progress updates, and other programmatic reporting with the CCMs as required under the grant agreement.
- c. In countries, where reports are shared with the CCM, CCMs are not clear about their role in relation to validating/approving the reports. The CCMs have not been provided with clear guidelines on steps they could take to implement their oversight role.
- d. Some CCMs, however, have put mechanisms in place to meet their implementation oversight role. For example, the CCMs in Cambodia, Rwanda, Philippines, and Morocco have each established an oversight process which includes validation of disbursement and progress reports. In Peru, the CCM and CARE, the PR, came to a formal agreement to establish a CCM-PR working relationship mechanism.

5. CCMs are instrumental in developing proposals and overseeing the utilization of Global Fund resources. The transition to monitoring implementation is a strategically important point in CCM evolution and is an essential element in the process of putting Fund grants to effective use so as to contribute to the Fund's broader goal. However, the CCM should not become involved in directing the operational aspects of implementation which remain the responsibility of the Principal Recipient. The role of the CCM is limited to oversight of the implementation.

6. The GPC considered revisions in the CCM guidelines to reflect the importance of CCM oversight, and to clarify the expected role of the CCM. The proposed revisions to the guideline are attached as Annex 3.

CCM Financing:

7. The findings of the CCM case studies conducted between late 2003 and early 2004 show that administrative support through a CCM Secretariat contributes to more effective functioning of the CCMs, as evidenced by the cases of Rwanda, Armenia, Morocco, and the Philippines. CCMs that receive administrative support are in a better position to provide timely notification of

meetings, to keep records of minutes, to disseminate information such as background documents, Calls for Proposals, updates on implementation status, and to support the CCM in meeting its implementation oversight responsibility.

8. The generous contribution of both multi- and bilateral development partners has enabled a number of CCMs to establish secretariats. However, from most partners this support has been ad-hoc to respond to immediate needs rather than sustained over long periods. Often these partners have their own development priorities, strategies, and objectives, and are willing to stretch themselves to some extent, but in some cases cannot respond to meeting long-term support needs. Partners have also drawn attention to the burden caused by the unplanned, extensive support both financial and technical to Global Fund processes in country. The budgetary implications and time burdens are likely to increase as countries expand their implementation of Fund-supported activities.

9. The CCM case studies and discussions during regional meetings revealed that in all countries where the case studies were undertaken, there was no institutionalized system/source of funding to support CCM secretariat and functioning.

10. A number of CCMs have established secretariats, which are housed by the PR or in the Ministry of Health. Both situations can lead to conflicts of interest and can compromise the CCM's independence in making decisions.

11. The CCM's workload is expected to increase for the operationalization of the CCM requirements related to selection/election of CCM members, to proposal development, and to oversight in implementation. There is recognition by all stakeholders that, as implementation of Fund-supported program activities expand, the CCM's workload will also increase, with the result that members may need additional support from a secretariat for implementation oversight and for managing M&E.

12. The Technical Review Panel has, in a few cases, recommended the approval of proposals which included budgets to support CCM functioning in previous rounds. To facilitate equal access to financial support for CCM Secretariat functioning for all CCMs, there is a need to standardize and formalize this form of support to facilitate all CCMs to meet their roles and responsibilities, in particular the requirements.

13. The GPC considered three options to address this issue:

Option 1: Financial support to CCMs from grant funds

Invite CCMs to submit, with their Country Proposal, a detailed proposal for the funding of CCM secretariat establishment and running costs. Guidelines, specifying items eligible for support and appropriate levels of support based on size of grants, number of components and PRs will be provided to facilitate the development and approval of the budgeted proposal.

Option 2: Establishing a small grants program to provide direct financial support to CCMs.

Establish in the Global Fund Secretariat a small grants program and allocate authority to the Secretariat to provide direct CCM financial support. Criteria and guidelines to be developed to determine eligibility for support, appropriate levels of support, process for application of support and conditions for financial support.

Option 3: Global Secretariat facilitation of partner support to CCMs

Continue to maintain the facilitation of CCM support as a Secretariat function, where it works closely with partners (multi/bilateral partners, private sector) to facilitate and coordinate the provision of resources to support CCM secretariat functioning.

14. The two key principles that guided the Governance and Partnership Committee in its deliberations were (i) any form of financial support to CCMs should ideally be country-led, demand driven, and aimed at the promotion of sustainable national and regional financial support, and (ii) the operating costs of the Fund are minimized to ensure a maximum amount of contributions are available to fund proposals.

15. Based on consideration of these principles, GPC recommends **Option 3: Global Secretariat facilitation of partner support to CCMs**. This option would promote national ownership of Global Fund country processes and ensure that CCMs stay as autonomous country-driven mechanisms. This option would strengthen partner commitment to effective CCM functioning.

16. The GPC recognized, however, that there may be circumstances in which external support is not available to the CCM. In such circumstances, the GPC recommends that grant funds be made available for CCM support (Option 1) under the following conditions:

Terms and Conditions for Use of Grant Funds for CCM Support

1. Eligible costs shall be limited to the following items:
 - Salary of staff. (Number of staff to be supported will be determined by size of grant and number of components)
 - Office administrative costs (phone, fax, postage, stationary, photocopy)
 - CCM meeting costs, including travel cost for CCM for non-governmental members (up to 6 meetings per year)
 - Communication and information dissemination costs for sharing key information (e.g., call for proposals, periodic reports of implementation status, minutes of meetings) which may include the costs of establishing and updating of website or newsletter.
 - Facilitation costs associated with constituency consultation and processes to promote stakeholder participation.
 - Translations of key information to promote participation by all stakeholders.
2. The size of grants and the number of components overseen by a CCM will be used as criteria to determine the total amount of its eligible funding.
3. Funded costs must be consistent with national salary scales and local operating costs.
4. The proposal must include a sustainability plan for financial support to the CCM after the first two years of grant support.
5. The proposal should show co-finance or in-kind support from in-country partners.

6. Disbursement and activity reports of CCM support funding must be provided to the Global Fund on an agreed periodic basis. These reports will be subject to LFA review and verification.

17. The GPC agreed that although clarification of both issues (oversight role and parameters for financial support) will help in ensuring better functioning of CCMs, more was needed. The GPC asked the Secretariat to develop a 'Q&A' information sheet to address many of the frequently asked questions as well as facilitate understanding of the intent of the guidelines. This should be widely available to assist countries in improving their CCMs.

Changes to CCM Guidelines

18. At the request of the Ninth Board meeting, the GPC also considered the implications of paragraph 19 of the Revised Guidelines on Purpose, Structure and Composition of the CCM for country level cooperation and decided to add in a sentence to address the concerns raised. The addition is provided in bold in Annex 3 and is intended to build in text that promotes trust and partnership.

Decision Points: CCMs

1. The Board approves the changes to the CCM Guidelines regarding CCM oversight of implementation, as outlined in GF/B10/7, Annex 3.

2. The Board requests the Secretariat to work closely with partners (multi/bilateral partners, private sector) to facilitate and coordinate the provision of resources to support CCM secretariat functioning.

In countries where partner support for CCMs is not available, the Board approves the use of grants funds to provide CCM support, provided that funding is limited to the first two-years of the grant and meets the terms and conditions set out in Part 2 (para.16) of GF/B10/7.

3. The Board approves the revised text of paragraph 19 as outlined in GF/B10/7, Annex 3.

Part 3: Memorandum of Understanding with Stop TB

1. As the GPC reported at the Ninth Board meeting, the committee has reviewed several versions of the Memorandum of Understanding between the Fund and Stop TB. The final version of the MOU (attached as Annex 4) has been reviewed by the GPC and is presented for Board approval.

2. In pursuing these partnerships the GPC has been mindful of the vision on partnerships as laid out in *Partnerships: Framework and Priorities for the Global Fund*, which approved at the Fourth Board meeting. This document states:

“The basis of partnerships can be tied specifically to the identification of mutual benefits and common objective(s) between the Global Fund and the organizations or institutions with which it wishes to partner. The chief objective of the Fund is to make a substantial impact in the fight against AIDS, tuberculosis and malaria, particularly in communities of greatest need by leveraging rapid and innovative mechanisms to provide these communities with resources.” (para 5).

3. Specifically these partnerships fall under the technical partnerships rubric as explained in the paper:

Technical partnerships are ones in which the Fund's partners offer a particular type of valued and focused expertise that is of high value to the Fund's core processes. In this case, the partners do not conduct the processes directly, but support them through their distinctive skill. Technical capacity on their part complements the financial capacity on the part of the Fund. The level and sector of the partner are not as critical as the functional ability, which has likely been developed to advance the same goals as those that the Fund seeks (para15.).

4. GPC is satisfied that the MOU with Stop TB satisfies these requirements, and that the partnership with STB is advancing in a positive direction.

Decision Point:

1. The Board approves the Memorandum of Understanding with the Global Partnership to Stop TB, attached as Annex 4 to the Report of the Governance and Partnership Committee (GF/B10/7), and requests the Secretariat to provide periodic reports on cooperation between the Fund and the Global Partnership to Stop TB under the agreement.

Part 4: Commencement of the Terms of Chair and Vice Chair

1. During its comprehensive revision of the Bylaws and Board Operating Procedures in 2003, the GPC recommended that there should be an "overlap" period between the incoming and outgoing Board Chair and Vice Chairs. That overlap period provides that the newly-elected Chair and Vice Chair assume their roles at the meeting following the election, rather than immediately after the meeting at which they were elected.
2. The GPC recommends that this policy be changed to permit the incoming Chair and Vice Chair to assume their duties upon the close of the meeting at which they are elected.

Decision Point :

The Board amends Section 18 the Board Operating Procedures as follows:

18. Timing of Elections; Commencement of Terms

Elections of the Chair and Vice Chair shall take place at the first Board meeting of the year. In the case of a vacancy, elections to fill the vacant slot shall take place at the first Board meeting at which a vacancy exists.

The terms of office for Chair and Vice Chair shall commence upon the adjournment of the Board meeting at which the election is held except in the case of elections to fill a vacancy, where terms shall commence immediately upon election.

Part 5: Additional Safeguards Policy

1. The GPC was briefed on the implementation of the ASP by Mr Mike Marchment, Senior Advisor, Operations Unit. There were no substantive updates to the memoranda already sent out to GPC over the course of three months. GPC had several questions regarding grants in various specific countries. The GPC noted with concern that negotiations on grant agreements can extend over a long time period. The Secretariat replied that there are now timeframes for grant signing (since Round 3) and that indefinite negotiations would no longer be possible as is the case with Round 1 and 2. There was no indication from the Board that the Secretariat should put in any less effort in trying to resolve issues with ASP grants than with any others, so everything possible was done to ensure that grants could be implemented as approved.
2. A specific request was made in connection with Ukraine, namely that the Secretariat should report to GPC on the plan for a handover to a local PR and for the reconstitution and reinvigoration of the CCM. The Secretariat agreed to provide this report.
3. GPC thanked the Secretariat for the quality and regularity of the reporting and expressed concern that the issue of the ASP be clearly identified in the allocation of tasks to the new committees.

Part 6: Administrative Services Agreement:

1. Mr David Sullivan, Legal Officer (on behalf of John Burke, CAO), briefed the committee on the current status of the transition plan from WHO services to Fund managed services. In essence the Fund is still in the exploratory stage with various options being investigated and considered. A full round of staff briefings has already been held, and more consultations will take place as recommendations become more concrete. GPC expressed concern that staff be kept entirely informed of the progress of the review.

Part 7: Update of work of Committee Restructuring Working Group (CRWG)

1. The GPC reviewed the working documents of the CRWG and discussed the issues at length. The GPC had reviewed many of the issues at hand before and had opinions on the options under discussion at the CRWG. Accordingly, GPC provided commentary and opinion to the CRWG to inform their deliberations. Mr Procacci, himself a member of the CRWG, undertook to represent the views of GPC at the working group.

**Membership of Governance and Partnership Committee
(attendance at the GPC meeting 2 March 2005)**

CHAIR	ITALY, Mr. Pasqualino Procacci, contact: pasqualino.procacci@esteri.it	
VICE-CHAIR	EASTERN EUROPE, Dr. Dana Farcasanu, contact: dfarcasanu@dnt.ro	
Secretariat Focal Point	Dianne Stewart, Board Relations Manager, contact: dianne.stewart@theglobalfund.org	
Members		Attendance (2 March)
China (Western Pacific)	Dr. Xing Jun	Ms. Deng Hongmei
Eastern Europe	Dr. Dana Farcasanu	Present
Eastern Med. Region	Mr. Syed Attar Mahmoud	Mr. Abdul Majid Rajput
East and Southern Africa	Ms. Sesupo Nene	Unable to attend
Italy	Mr. Pasqualino Procacci	Present
Private Foundations	Mr. Todd Summers	Present
Private Sector	Mr. Neeraj Mistry	Present
Japan	Mr. Tamotsu Ikezaki	Present
Latin America & Caribbean	Dr. Anna Marcela Vives Blanco	Present
NGO Developing	Ms. Razia Essack-Kauaria	Unable to attend
NGO Rep. Communities	No member presently designated	Unable to attend
Point Seven	Dr. Marijke Wijnroks	Present
USA	Mr. John S. Gardner	Unable to attend

Global Fund Staff Members:

Ms. Doris D'Cruz, Coordinator, CCM Development

Ms. Dianne Stewart, Board Relations Manager

Mr. David Sullivan, Senior Legal Officer

Ms. Katarzyna Daghigh, Board Relations

Mike Marchment, Advisor, Operations Management

**DRAFT AGENDA
GOVERNANCE AND PARTNERSHIP COMMITTEE**

Date :	Tuesday 1 March 2005
Venue :	Hotel Royal Plaza Montreux
Chair :	Mr Pasqualino Procacci
Vice –Chair :	Dr Dana Farcasanu
Focal Point :	Dianne Stewart (resource people in brackets below)

Morning 9.30 – 12.30:

- 9.30 – 9.35** 1. **Introductions
Review and Approval of the Agenda**
- 9.35 – 11.35** 2. **CCMs (Doris D'Cruz-Grote)**
- Define Oversight roles for CCMs during implementation
 - Financial support to CCM secretariats
 - Review paragraph 19 of the CCM Guidelines
 - Monitoring of CCM check list; ongoing evaluation
 - Documents: Provision of direct financial support to CCM.doc
CCM Oversight role.doc
Revision of text of paragraph 19.doc
- 11.35 – 12.00** 3. **Partnership Agreements: (David Sullivan)**
- MOU with Stop TB
 - Documents: Nov12-04rev-gfatm-stbmou.doc
- 12.00 – 12.30** 4. **Update on Administrative implications for
new legal status (David Sullivan)**
- Update on current activities

Lunch 12.30- 14.00

Afternoon 14.00– 17.30

- 14.00 – 15.00** 5. **Additional Safeguard Policy (Mike Marchment)**
- Overview of reporting to date
 - Documents: GPC Additional Safeguards Policy 20th Dec 04.pdf
GPC memo 7 Feb ASP.doc
GPC ASP memo 12 January 2005.doc
- 15.00 – 16.30** 6. **Update on Committee Restructuring Working Group
(Dianne Stewart)**
- 16.30 – 17.00** 7. **Finalise Recommendations**
- 17.00 -17.30** 8. **Closure**

Proposed Guidelines for CCMs oversight of implementation

1. The following draft guidelines are being proposed for consideration by GPC for inclusion as an additional section in the CCM Guidelines. The first sentence of the existing paragraph 17 (Part 6) will be deleted and replaced by the following section (the remainder of the current paragraph 17 will be retained as a new paragraph 18):

17. *Operationalization of CCM Principles.*

The CCM shall develop tools and procedures for overseeing proposal implementation. These **should** include, but need not be limited to:

- I. the establishment and implementation of **criteria** for the nomination of principal recipients and sub-recipients;
- II. the recording of all key CCM oversight actions, including the nomination of Principal Recipients, the development of CCM feedback arising from review of periodic reports, the review of information arising from implementation monitoring visits, and the approval of decisions made on implementation status, such as requests for reprogramming;
- III. the development of a communication strategy for the dissemination of CCM decisions and for regular sharing of information on grant implementation status with all CCM members and relevant stakeholders, in keeping with the Global Fund principle of transparency;
- IV. the development of a CCM oversight work plan, coordinated with the PR, which **should** include:
 - Periodic CCM site visits and the regular submission and review of PR periodic reports;
 - Facilitation by the CCM of technical assistance through partners – academia, multi/bilateral, civil society, private sector - to the CCM for the strengthening of its functions and to the PR to address implementation issues; and
 - Systems analysis and strategic planning review to ensure coordinated implementation, monitoring and evaluation with national and other donor funded programs, and to the harmonization of program activities with other on-going programs and the timely request for reprogramming of activities if needed.
- V. the development of a mechanism to ensure that follow-up action, as needed, will be taken where the CCM review of periodic progress reports indicate discrepancies with observed program results.

2. Since CCMs vary from country to country and are in different stages of their evolution, the proposed guidelines can be adapted and implemented in a phased manner to meet the specific needs and contextual situation of the CCMs.

Revised text of paragraph 19

Para 19: The Secretariat will take specific steps to collect information on the functioning of CCMs and to disseminate this information. Individual CCM members are free to communicate their views on design or implementation issues with other CCM colleagues or with the Secretariat, on a confidential basis if necessary, to register problems and complaints, and identify weaknesses in CCM functioning as described in the principles of the Fund. **At the same time, the Fund Portfolio Managers will ensure that this process contributes to promoting true partnership and trust among the CCM members and between the Fund Portfolio Managers and the CCMs.** While respecting confidentiality where confidentiality has been requested, portfolio managers would have the right to inform themselves on the issue through queries to other CCM members, and if necessary tasking the LFA to determine the accuracy of the complaint.

**MEMORANDUM OF UNDERSTANDING
REGARDING COOPERATION BETWEEN THE
GLOBAL PARTNERSHIP TO STOP TB AND THE
GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA**

A. Background

1. The objective of the Global Partnership to Stop TB (“STBP”) is to eliminate tuberculosis as a public health problem. It aims to generate and focus resources to fight tuberculosis using the most appropriate strategies.

2. The purpose of the Global Fund to Fight AIDS, Tuberculosis and Malaria (“Global Fund”) is to attract, manage and disburse additional resources through a new public-private partnership that will make a sustainable and significant contribution to the reduction of infections, illness and death, thereby mitigating the impact caused by HIV/AIDS, tuberculosis and malaria in countries in need, and contributing to poverty reduction as part of the Millennium Development Goals.

B. Purpose

This Memorandum of Understanding sets forth the mutual understandings and intentions of the STBP and the Global Fund regarding their collaboration in the global fight against tuberculosis with the aim of

1. achieving a greater and more effective allocation of resources for the fight against tuberculosis, with verifiable results for patients and communities in the countries of greatest needs; and
2. carrying out the fight against tuberculosis in an effective and efficient manner at lower cost.

C. Basis for Cooperation and Collaboration

1. The Global Fund acknowledges that
 - a. the World Health Organization is the international body with a mandate to act as the directing and co-ordinating authority on international health work;
 - b. the competent technical STBP members (for example, WHO, KNCV, IUATLD, CDC), will be a premier source of technical support and advice on tuberculosis control to the Global Fund, and this support shall be coordinated through the appropriate STBP Working Group;

- c. the work of the STBP will be critical if the Global Fund grants made to countries are to succeed in mitigating the disease impact; and
 - d. the Global Tuberculosis Drug Facility (GDF) provides a unique package of services, including technical assistance in anti-tuberculosis drug management and monitoring of anti-TB drug use, as well as procurement of high quality anti-TB drugs at relatively low cost.
2. The Stop TB Partnership acknowledges that
- a. the Global Fund is a financial entity, not an implementing entity;
 - b. the Global Fund will make available and leverage considerable additional financial resources to combat tuberculosis; and
 - c. the Global Fund will finance programs that reflect national ownership and respect country-led formulation and implementation processes.

D. Areas of Cooperation and Collaboration

1. The STBP plans to support Global Fund programs, upon Global Fund request, by
- a. providing technical input to the Global Fund and to countries funded by the Global Fund on global standards for addressing tuberculosis, including the specific challenges of the DOTS expansion, HIV/tuberculosis co-infection, and multi-drug resistant tuberculosis;
 - b. making recommendations concerning multi-drug resistant tuberculosis proposals through the Green Light Committee (GLC);
 - c. procuring low-cost and quality-assured second-line drugs for treating multi-drug-resistant tuberculosis under Global Fund grants through the Green Light Committee, thus ensuring rational use of drugs and contributing to major reductions in drug costs;
 - d. monitoring the use of second line drugs in projects approved by the Global Fund and being procured through the GLC mechanism;
 - e. providing technical input to the Global Fund in the procurement assessment process;
 - f. making recommendations concerning procurement plans for first-line TB drugs through the Technical Review Committee of the GDF; and
 - g. procuring first-line drugs under Global Fund grants through the GDF where grantees have been judged by the TRC to have limited procurement capacity, thus minimizing the development of multi-drug resistant tuberculosis, allowing reductions in drug cost, ensuring quality, ensuring drugs are used only in DOTS programmes thus providing an incentive for DOTS expansion, and ensuring that drugs are monitored appropriately.

2. In accordance with the principle of national broad-based ownership of the strategies and activities supported by the STBP and the Global Fund, the STBP plans, upon request by the Country Coordinating Mechanism or a prospective Global Fund grantee, as the case may be, to

- a. assist Country Coordinating Mechanisms to develop applications to the Global Fund, on both tuberculosis and joint tuberculosis and HIV proposals;
- b. assist countries to implement, monitor and evaluate approved proposals;
and
- c. provide opportunities for Global Fund grantees to procure high-quality anti-tuberculosis drugs at low cost.

3. The Global Fund plans to support TB control initiatives by

- a. mobilizing and disbursing substantial new resources for TB control;
- b. focusing on best practices by funding interventions that work and can be scaled up, such as those based on international norms and standards, including those of the World Health Organization;
- c. requiring that procurement of medicines for multi-drug resistant tuberculosis be conducted through the GLC, to ensure rational use of these medicines and to facilitate major reductions in drug costs;
- d. requiring that procurement of medicines for tuberculosis be conducted through mechanisms which adopt and use a package of services such as that of the GDF where grantees are judged to have limited procurement and drug management capacity;
- e. requiring that all tuberculosis drugs bought with Global Fund funds are of known good quality¹ and are used only in DOTS programmes; and
- f. requiring from Stop TB Partnership competent agencies the intensification of technical action in countries in order to support jointly implementation of programs funded through the Global Fund

4. The STBP and the Global Fund will collaborate on advocacy and resource mobilisation wherever such collaboration would be mutually advantageous.

5. The STBP and the Global Fund will work together to realize their mutual commitment to the goal of increasing the amount of global resources allocated to the fight against tuberculosis.

¹ Known good quality is defined as manufacturers producing drugs under the oversight of a competent regulatory authority.

E. Organizational Coordination

1. The Global Fund and the STBP will share relevant information as appropriate.
2. The Global Fund and the STBP will establish a joint Collaboration Task Force, composed of representatives of the Global Fund and STBP, to address the process of collaboration and cooperation between them and other matters of mutual concern. The Collaborative Task Force will meet from time to time in Geneva as needed.

F. Effect of This Memorandum of Understanding

This Memorandum of Understanding does not commit any funding by either the STBP or the Global Fund or require any preferential treatment by one towards the other. Cooperation between the STBP and Global Fund is subject to their respective policies and procedures.

G. Validity; Amendment; Review

1. This Memorandum of Understanding will be valid for a period of two years from the date of its signature. The Global Fund and the STBP may amend this Memorandum of Understanding by agreement in writing.
2. The Global Fund and the STBP will undertake a review of their collaboration one year after the signature of this Memorandum of Understanding.

FOR THE GLOBAL FUND

**FOR THE GLOBAL PARTNERSHIP
TO STOP TB**

Prof. Richard G. A. Feachem
Executive Director

Marcos Espinal
Executive Secretary
Stop TB Partnership

Date: _____

Date: _____