REPORT OF THE POLICY AND STRATEGY COMMITTEE

Outline: This report covers the 2-3 November 2005 deliberations and recommendations of the Policy and Strategy Committee (PSC). Discussions focused on the Global Fund Strategy Development, the Follow-up Briefing on Grants Managed under the Additional Safeguards Policy, the TERG Report on the Assessment of Country Coordinating Mechanisms and the Continuity of Treatment Services Policy.

Summary of Decision Points:

1. The Board acknowledges the progress made on developing the situation assessments and affirms the prioritization of issues and the principles to guide option development outlined in GF/B12/5. It requests that the work proceed to the stage of option development and that the Policy and Strategy Committee report on progress at the Thirteenth Board Meeting.

2. An amendment of the decision of the Ninth Board Meeting on continuity of services to allow funding for the continuation of treatment in grants where funding ends in exceptional cases that may arise before a comprehensive approach to the issue has been decided (page 13).
Part 1: Introduction

1. The Policy and Strategy Committee (PSC) met in Geneva on 2-3 November, 2005. The Chair and Vice Chair of the meeting were Ambassador Randall Tobias (U.S.A.) and Mr. Jairo Pedraza (Developed NGOs), respectively. The agenda for the meetings and the list of participants are included as Annexes 1 and 2.

Part 2: Global Fund Strategy Development

Focus and structure of this document

1. This part of the Policy and Strategy Committee (PSC) report covers the work done to date on the current stage of the strategy development effort, which focuses on issue situation assessment, prioritization, and identification of principles to guide option development. It incorporates the results of:
   i. Preparatory work by the Secretariat;
   ii. PSC discussion at its November 2-3 meeting;
   iii. Subsequent comments received from Committee members.

2. This part contains the following sections:
   • A. Introduction
   • B. Framework of prioritized strategic issues
   • C. Corresponding strategic questions
   • D. Principles to guide option development
   • E. Next steps

A. Introduction

   a. Review of context and structure of the strategy development effort

1. In endorsing the Executive Director’s Key Performance Indicators at its Ninth Board meeting in Arusha, the Global Fund Board recommended that a strategy be developed to provide a forward direction for the Fund. The Global Fund is now engaged in its first strategy development process.

2. The strategy development effort is a Board-driven process, with the PSC being tasked with leading the work, as per its Terms of Reference.

3. The strategy development effort is comprised of different stages:
   i. The first stage consisted of identifying the scope and focus of the strategy, as well as the approach to strategy development. This stage concluded at the Eleventh Board meeting with the Board’s endorsement of the framework of strategic themes and the approach to strategy development contained in the PSC Report GF/B11/7. As part of this, it was also agreed that:
      (a) The overall **objective** of the strategy effort is to determine – based on an analysis of lessons learned and the external environment – a solid strategy for maximizing Global Fund impact and success, which Global Fund stakeholders strongly support;
      (b) The **horizon** of the strategy is 4 years, beginning mid-2006 and ending mid-2010, with a mid-term review;
      (c) The **scope** of the strategy is defined by the framework of strategic themes;
      (d) The Fund will at the right juncture aim to develop **targets** for the strategy to monitor the strategy’s implementation progress and its contribution to the Fund’s mission;
      (e) The strategy is to be grounded in the **purpose and principles** of the Global Fund, as laid out in the Fund’s Framework Document.
ii. The current stage is **issue situation assessment, prioritization, and identification of principles to guide option development** – taking place between the Eleventh and Twelfth Board meetings.

iii. The subsequent stages of strategy development, as endorsed by the Board, are:
   (a) **Issue option development** – to occur between the Twelfth and Thirteenth Board meetings;
   (b) **Strategy document development** – to take place between the Thirteenth and Fourteenth Board meetings.

**b. Purpose and overview of current stage**

4. The current stage of the strategy development work consists of three components, with the following purpose:

i. **Issue situation assessment:**
   (a) To summarize the relevant background information (thereby ensuring that the strategy development builds on previous work done and learnings from relevant evaluations);
   (b) To comprehensively frame the issues being considered.

ii. **Issue prioritization:**
   (a) To provide a coherent, overarching view of the strategy (the strategic “big picture”), that explicitly takes into account the linkages between the individual strategic issues;
   (b) To ensure the appropriate sequencing in addressing the issues (e.g., treating root causes before symptoms);
   (c) To ensure a manageable workload in terms of the number of discrete areas to be considered by the Board, the PSC, and the Secretariat.

iii. **Principles to guide option development:**
   (a) To provide high-level, cross-cutting guidance for option development – the next stage of strategy development.

5. To fulfill the purpose of the issue situation assessment component of the current stage, a series of background papers was prepared – one for each issue or grouping of issues from the Board-approved framework of strategic themes. The document containing all of these was submitted to the PSC for discussion at its last meeting. For each issue, the papers reviewed the relevant factual background and context, then surfaced the pertinent tensions and promising avenues for each issue, leading to a robust set of logical strategic questions. The papers drew on a range of pertinent sources (including evaluations, relevant prior work done by the Board, PSC, and Secretariat, and key reports).

6. At its November meeting, the PSC focused on discussing a framework of prioritized issues and the principles to guide option development. The Committee also discussed the strategic questions corresponding to each of the prioritized strategic issues.

7. Subsequent to the meeting, Committee members had the opportunity to contribute further comments via email on the documents and topics discussed.

**B. Framework of Prioritized Strategic Issues**

**a. Starting Point for Prioritization of Strategic Issues**

8. The starting point for prioritizing the strategic issues was a slightly modified version of the framework of strategic themes endorsed by the Board at its Eleventh meeting. (Annex 3 contains the revised framework of strategic themes, as well as a brief explanation of the rationale for and nature of the changes made).^2^

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^1^ A revised version of these papers (reflecting the prioritized framework of issues explained later in this document) is available on the password-protected website for the Twelfth Board Meeting.

^2^ The rest of this part of the paper references the strategic issues using the issue names from this revised framework of strategic themes.
b. Approach to Prioritization of Strategic Issues

9. In informing the prioritization of the strategic issues contained in the revised framework, the PSC noted the following considerations:
   i. The issues in the framework are of different natures (e.g., some refer to problems to be solved or objectives to be achieved, while others are more linked to root causes);
   ii. There are numerous linkages (of diverse types) between the issues, which are not made explicit in the framework. This may lead to a risk of treating the individual issues in isolation instead of in the appropriately integrated fashion;
   iii. There is a large quantity of material under consideration; a further grouping of the issues to reflect the linkages mentioned would be helpful in addressing this.

10. Based on the above considerations and on the objectives of the prioritization described earlier in paragraph 4, a framework of prioritized strategic issues was put forward, discussed and refined by the PSC, which aimed to achieve the following:
   i. Place the issues in the context of the overarching Global Fund purpose and core principles, as laid out in the Framework Document;
   ii. Identify the issues that are of a cross-cutting nature (in that they are linked to multiple other issues) and adequately arrange them according to their relationship to the other issues;
   iii. Identify and reflect the logical dependencies among the other issues.

c. Framework of Prioritized Strategic Issues

11. The resulting framework of prioritized strategic issues is reproduced on page 6. It is a graphical framework in the shape of an edifice, comprised of a roof, three pillars and a base. To ensure a shared understanding of the framework, below is an explanation of how to read it and how it was developed:

   i. The roof of the “edifice” should be read as containing the fundamental elements which guide and influence the rest of the structure (i.e., they “cast a light on the lower part of the structure”). Moving from top to bottom, the roof is made up of the Global Fund’s purpose, its core principles and those cross-cutting strategic issues which inform the determination of many of the other strategic elements:
      (a) The Global Fund’s purpose – as specified in the Framework Document – reads: “The purpose of the 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”. It is placed at the pinnacle of the roof because all elements in the strategy should aim to optimize the Fund’s effectiveness at achieving this purpose.
      (b) The Global Fund’s core principles are also specified in the Framework Document. For the sake of brevity, they are not listed here in the text but the reader is referred to Annex 4 of this document for details.

   iii. A detailed explanation of how to read the framework is provided recognizing the importance of ensuring clarity when there can be a number of different but equally valid ways to interpret such a graphic. (See the next footnote for an example.)

   iv. A different graphical construction of the framework would place these elements at the base, as the foundation of the edifice which other elements are built upon. However, the roof placement that illustrates the “aspirational”, “guiding star” nature of these elements and has them “shining down” on the others is preferred here.

The Framework Document provides guiding principles across its various sections, including (but not limited to) the following sections: III. Principles; IV. Scope; VI. Country Processes; IX. Monitoring Program Progress; X. Fiduciary Responsibilities.
**Optimizing the GF financing model and architecture** (for purposes of addressing alignment and harmonization, and beyond Phase 2) [incl. TRP, architecture (CCMs, LFAs), health systems, Comprehensive Funding Policy]

**ENSURING IMPACT**

- Funding the right things [incl. TRP, health systems]
  - Scientific developments
- Ensuring grant performance
  - Country level architecture (CCMs, PRs, LFAs)
  - Country-level partners (civil society, private sector)
- Leveraging civil society and the private sector at global/institutional level
- Influencing market dynamics

**ENSURING GF FINANCIAL SUSTAINABILITY**

- Optimizing GF resource mobilization [incl. Comprehensive Funding Policy]

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- GF business model and structure
- Measuring impact and ensuring accountability
It should be noted also that the Global Task Team (GTT) report – which the Board has endorsed – is itself grounded in its own set of (four) key principles and that these are fully consistent with the Fund’s Framework Document. (Annex 5 of this document shows the relationship between the two). PSC members noted that the strategy development should also take into account these GTT principles.

(c) Those cross-cutting strategic issues which need to inform the determination of the other strategic elements consist of:

- **The Global Fund’s strategic positioning:** This encompasses how the Fund – based on its unique strengths and comparative advantages – sees itself fitting into the global architecture of actors fighting the three diseases. This issue is placed in the roof because many other issues lower down in the edifice derive from it: for instance, “Ensuring grant performance”, “Influencing market dynamics” and “Resource mobilization” all depend on the Fund’s role within the broader ecosystem of actors.

- **The Global Fund’s target size:** This relates to discussion of the aspired size for the Fund, as determined based on a number of demand and supply factors. This issue similarly belongs in the roof because a number of other issues lower down in the edifice are affected by it: for example, “Funding the right things”, “Influencing market dynamics” and “Resource mobilization”.

ii. **The pillars of the edifice** represent the fundamental “strategic pillars” of the Fund which together help it maximize its impact over time. These pillars encompass issues of a similar nature.6 Their representation as parallel, load-bearing columns acknowledges their critical, equal and interdependent contribution to supporting the achievement of the elements in the roof. The nature and contents of the pillars are described in more detail in paragraph 12 below.

iii. **The base of the edifice** is comprised of those cross-cutting strategic issues that flow from the determination of many of the strategic areas higher up in the edifice. It is composed of:

(a) **The Global Fund’s business model and structure:** This encompasses how the different elements of the Fund’s architecture7 are designed and operate together to achieve the strategic objectives represented by the pillars and ultimately the Fund’s purpose (in the roof). It belongs in the base because it clearly must flow from how the issues within the pillars are eventually determined.

(b) The strategic issue of “Measuring impact and ensuring accountability”: How the Fund measures its impact and ensures its accountability is also dependent on the elements contained in the pillars. This is because the design of the impact measurement needs to take into account the functions and actions that the Fund provides, and these are determined from the elements in the pillars. (For example, if the Fund works to influence the markets for essential health products, the impact measurement will need to assess the results of this).8 It is worth stressing that the placement of this issue in the base of the edifice purely reflects the above considerations of logical sequencing, and is not in any way meant to take away from the critical importance of impact measurement and accountability to the Fund’s performance-based approach.

12. This paragraph provides specifics on the three strategic pillars in the framework of prioritized issues.

i. From a general perspective, issues are grouped within a same pillar to reflect their contribution to a same overall strategic objective. A number of the issues have sub-issues listed under them, reflecting a hierarchy of issues (i.e., the sub-issues are specific facets or components of the overall issue). However, the order in which the issues are listed within a same pillar is not intended to have any meaning. Similarly there is no significance intended in the relative location of the pillars (left, center, right) or the short-hand reference to them as the first, second and third pillars.

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6 In the sense that they contribute to a same overall strategic objective.
7 The Fund’s “architecture” is composed of its various operational instruments like the TRP, CCMs, LFAs, PRs, etc.
8 In fact, impact measurement also needs to incorporate into its design the Fund’s business model and structure, since it ought to assess their effects.
ii. The first pillar is entitled “Ensuring impact”. It encompasses the different ways (or modes of action) in which the Fund directly works towards achieving its intended impact:
(a) by funding a suitable set of grants (“Funding the right things”);9
(b) by working with its country-level structures and its country partners – including civil society and the private sector – to ensure that those grants perform well (“Ensuring grant performance”);
(c) by working to tap the potential contributions of civil society and the private sector at the global and institutional level (“Leveraging civil society and the private sector at the global/institutional level”);
(d) and by seeking to constructively influence the pricing and long-term sustainable availability of essential health products (“Influencing market dynamics”).

iii. The second pillar is “Improving alignment and harmonization and reducing transaction costs.” It relates to how the Fund can work towards achieving higher levels of sustainability and efficiency as a means to increase its long-term impact. This pillar focuses on “Optimizing the Fund’s financing model and architecture” for the purposes of (1) enabling the Fund to improve its alignment10 with countries’ priorities and systems, (2) enhancing the extent of its harmonization11 with other donors – in conformity with the spirit of the GTT recommendations – and (3) helping the Fund address the “beyond phase 2” issues raised by grants coming to the natural end of their Phase 2 funding.12

iv. The third pillar is called “Ensuring financial sustainability.” It centers on “Optimizing the Global Fund’s resource mobilization” efforts.

v. Some cross-cutting issues are related to a few specific different issues within the pillars. These are indicated in square brackets next to the relevant issues in the pillars. For example:
(a) The TRP may need to be examined in the light of the options eventually considered under to “Funding the right things” and “Optimizing the Fund’s financing model and architecture”;
(b) The PSC specifically noted that the Fund’s intent to contribute to strengthening health systems (as stated in the Framework Document) needs to be considered across its various modes of action, in particular as part of “Funding the right things” and “Optimizing the Fund’s financing model and architecture” (for the particular purpose of ensuring increased alignment and harmonization).

vi. It should be noted that there are links between the pillars that will need to be taken into account in the strategic reflection. For instance, resource mobilization will affect the question of grants coming to the natural end of their Phase 2 funding.

C. Corresponding Strategic Questions

13. The purpose of the strategic questions is to define, for each prioritized issue area, the focus and scope of the strategic reflection that will need to be conducted during the next stage of option development.

14. A set of strategic questions for each issue area in the revised Board-approved framework of strategic themes was developed based on a thorough analysis – conducted as part of the situation assessment work – of the background situation, challenges and opportunities related to that issue. This set of strategic questions was then discussed and refined, and adapted by the PSC to reflect the prioritized framework of strategic issues.

9 This issue includes within it the specific sub-issue of “Pre-empting and responding to scientific developments”, which relates to whether the Fund is funding the right health interventions.
10 Alignment is defined as “efforts to bring the policies, procedures, systems and cycles of multilateral actors into line with those of the country being supported.” Global Task Team on Improving AIDS Coordination Among Multilateral Institutions and International Donors. “Final Report.” (14 June 2005).
11 Harmonization is defined in the GTT report as “efforts to streamline and coordinate approaches between multilateral institutions.” Op. cit.
12 The issues raised by grants reaching the end of their Phase 2 funding are related to sustainability, transaction cost and alignment.
15. The resulting set of strategic questions corresponding to the framework of prioritized strategic issues is presented below, following the arrangement of the edifice framework. For each issue, there is one overarching strategic question and several strategic sub-questions covering different facets of the overarching question and/or reflecting a logical progression toward addressing the overarching question.

**Strategic questions for the issues in the roof of the edifice**

16. **Global Fund strategic positioning**

   i. **Overarching strategic question:** What is the Global Fund’s appropriate strategic positioning vis-à-vis other key international actors and partners?

   ii. **Strategic sub-questions:**
       (a) From a general perspective, what roles does the Fund play uniquely well? What roles – based for example on its principles, design, or skills – might it be uniquely positioned to play well in the future? Conversely, what roles does it play less well?
       (b) In the light of this:
           - What is the appropriate overall role for the Fund going forward?
           - What can be done by the Fund to strengthen its complementarity with key partners?
           - What understandings or working arrangements should the Fund seek to establish with these partners to ensure the development and viability of this strengthened complementarity?

17. **Global Fund size**

   i. **Overarching strategic question:** Should the Global Fund develop an aspirational size (and trajectory) for itself and, if so, what is the appropriate target size that will enable it to attain its purpose?

   ii. **Strategic sub-questions:**
       (a) Should the Fund set an aspirational target size (and trajectory)?
       (b) If so, how would it best be determined?
           - What are the demand-side essential drivers of target size that should be considered? (for example: key international commitments and goals for fighting the diseases e.g., Millennium Development Goals, universal access etc.; appropriate Global Fund share of the overall resource needs, as determined by its role and comparative advantage; expected Fund grant volume from new rounds, renewals, etc.; country absorptive and distributive capacity).
           - What are the supply-side essential drivers of target size that should be taken into account? (for example: availability of funding, emergence of new aid channels).
           - How to best determine a target size from these factors?
       (c) What are a few possible scenarios to consider for the target size of the Fund? What are their associated assumptions, implications, merits and demerits?

**Strategic questions for the issues in the first pillar: “Ensuring impact”**

18. **Funding the right things**

   i. **Overarching strategic question:** What should the Global Fund fund? How actively should it shape this?

   ii. **Strategic sub-questions:**
       (a) Should country eligibility criteria be changed? If so, how?
       (b) How can the Fund take into account national strategies in its funding decisions and ensure it is playing a “gap-filling” funding role (including in its support of health systems)?

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13 For the sake of defining the term strategic positioning, it should be noted that this can include for example the following elements: sources of possible comparative advantage and particular role or “niche” within the global architecture; areas of interface, dependency, possible overlap and complementarity with partners; optimal structure of working arrangements or relationships with partners.
(c) Should the Fund maintain its current purely demand-driven approach to funding or should it more actively shape its portfolio (e.g., if the portfolio is deemed to be unbalanced)? And if so, how? In particular, how should “the right things” to fund be defined, taking into account the countries’ perspective (defined inclusively to encompass government, NGOs and the private sector)?

(d) How can the Fund better pre-empt and appropriately respond to scientific/technological developments?

19. Ensuring grant performance

i. **Overarching strategic question:** How should the Fund – working with its partners – enable countries to improve grant performance by anticipating and addressing implementation bottlenecks?

ii. **Strategic sub-questions:**

(a) What enhancements/modifications to elements of the Fund’s grant cycle or architecture (including CCMs, PRs, LFAs) should be considered to help pre-empt, better identify and address implementation bottlenecks? (e.g., opportunity to require and enable rigorous upfront needs assessments, to encourage countries to more actively self-identify their grant problems).

(b) How can the Global Fund better strategically manage its links with country-level partners (existing and new – including government, civil society, business private sector, private foundations and international agencies) to enable implementation challenges to be addressed in accountable and effective ways as they occur? (including the appropriate provision of technical and management assistance).

(c) How can the Global Fund respond to real-time feedback from the field – from recipients, governments, civil society, the private sector, customers and critics?

20. Leveraging civil society and the private sector at the global/institutional level

i. **Overarching strategic question:** How can the Global Fund more effectively tap the potential of civil society and the private sector (business and foundations) and maximize the impact of their contributions at the global and institutional levels?

ii. **Strategic sub-questions:**

(a) How can the Global Fund ensure sufficient recognition and participation of civil society and the private sector at the institutional/Secretariat level?

(b) How can the Fund maximize the impact of the contributions of civil society and the private sector at the global and institutional level?

21. Influencing market dynamics

i. **Overarching strategic question:** What should the Global Fund do to help enable improved market dynamics – i.e., improved pricing and sustainable supply – for essential health products related to the prevention, care, and treatment of HIV/AIDS, TB and malaria and to help mitigate key risks/threats for these products?

ii. **Strategic sub-questions:**

(a) What are the specific opportunities (i.e., which products and product outcomes) for improved market dynamics or risk mitigation that would make a substantial contribution towards the Fund’s purpose? What is their potential impact (i.e., value in dollars and/or lives)?

(b) What principles should guide the potential role of the Fund?

(c) In the light of this, what role might the Fund play – working with its partners – in contributing to realize those opportunities…?

- … through strategic actions within its current model?
- … by making any appropriate changes to its model, as relevant?
Strategic questions for the issues in the second pillar: “Improving alignment and harmonization and reducing transaction costs”

22. Optimizing the Global Fund’s financing model and architecture

i. Overarching strategic question: How should the Fund optimize its financing model and architecture to improve alignment and harmonization and reduce transaction costs as a means to increasing its impact?

ii. Strategic sub-questions:

(a) What elements of the Fund’s financing model (including the rounds system, the Comprehensive Funding Policy) and architecture (including CCMs, PRs, LFAs, TRP) might need to be examined in order to improve alignment and harmonization and reduce transaction costs – including to help address the issue of ‘beyond Phase 2’?

(b) What strategic actions might the Fund take – within the current financing model and architecture or through changes to it – to help address alignment, harmonization and beyond Phase 2?

(c) Specifically:

- How might the Global Fund – in a way that is consistent with its principles, including accountability – align more closely with (inclusively-defined) country priorities and systems and improve harmonization with other donors?
- What should the Global Fund do to address the sustainability, transaction cost and alignment issues raised by grants coming to the natural end of their Phase 2 funding?
- What is the most appropriate approach for the Fund to be involved in supporting health systems strengthening?

Strategic questions for the issues in the third pillar: “Ensuring Global Fund financial sustainability”

23. Optimizing the Global Fund’s resource mobilization

i. Overarching strategic question: How can the Global Fund better provide for adequate, predictable and sustainable financial resources for the fight against the pandemics within its mandate?

ii. Strategic sub-questions:

(a) What are the strategic questions that must be answered to further increase donor confidence in the Global Fund? (e.g., on the Global Fund’s management of resources).

(b) How effective has the replenishment process been to date and how can it be improved further?

(c) What are the most appropriate resource mobilization efforts to complement the replenishment process?

(d) What is the full potential for contributions from business and foundations to the Global Fund – both financial and non-financial – and what is the effort required to effectively mobilize these?

(e) What is the potential of innovative financing mechanisms and how might they bring additional resources, predictability and sustainability to the Global Fund’s resource mobilization?

(f) What adjustments – if any – might be required to the Comprehensive Funding Policy (CFP) to improve the Fund’s ability to mobilize resources, without undermining the principle of financial prudence underlying the CFP?

Strategic questions for the issues in the base of the edifice

24. Global Fund business model and structure

i. Overarching strategic question: What is the appropriate business model and structure for the Fund that is consistent with and helps best achieve the strategic orientations taken in each of the strategic pillars?

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14 The term architecture is defined above, in footnote 7.

15 Reducing transaction costs applies to transaction costs both to countries and to the Fund itself.

16 Alignment and harmonization are defined in Footnotes 10 and 11.
25. Measuring impact and ensuring accountability

i. **Overarching strategic question:** How should the Global Fund measure impact and ensure accountability?

ii. **Strategic sub-questions:**
   (a) How should the Global Fund measure its impact, in particular its role in the global progress against the three diseases and towards the Millennium Development Goals, as well as its cost efficiency?
   (b) What are the few, right things that the Global Fund should measure, communicate and be held accountable for in order to ensure and demonstrate that it is making a difference? Should the Fund develop annual performance goals for itself?
   (c) Should the Board periodically review the Fund’s portfolio in a more systematic and in-depth fashion than it does today? And if so, how?

D. Principles to Guide Option Development

26. The purpose of the principles to guide option development is to provide high-level guidance for the next stage of the strategy development process – option development for the prioritized strategic issues. They are meant to define the *boundaries* (grounded for example in the Global Fund’s purpose and principles), *scope* (including the importance of innovation), and *proper focus* (for the sake of Board discussion and decision-making) of option development.

27. An initial set of proposed principles to guide option development was discussed and refined by the PSC during its November meeting as well as through subsequent email comments.

28. The set of proposed principles to guide option development is as follows:

   **The options developed should:**
   
   i. **Aim to maximise the Fund’s impact** (as expressed by the Fund’s purpose laid out in the Framework Document) by:
      (a) building on the strengths and comparative advantages of the Global Fund;
      (b) considering a variety of possible methods and innovative solutions, including strategic adjustments to optimize the current business model as well as architectural changes to the current business model as appropriate;
      (c) prioritizing options that ensure the sustainability of programs and engender local ownership and responsibility.
   
   ii. **Be consistent with the Global Fund’s principles** laid out in the Framework Document and respect the boundaries inherent in the Global Fund’s role as a financing mechanism, not an implementing entity.
   
   iii. **Focus on addressing areas where strategic decisions by the Board are required**
       (a) with the aim to drive toward key decisions, major orientations and desired outcomes, while allowing flexibility for effective and adaptive implementation;
       (b) centering on the elements that can be addressed or significantly influenced within the Global Fund’s strategy effort, while identifying areas where there is a possible need for a larger-scale, collective strategic effort with partners.

E. Suggested Next Steps

29. As presented in the earlier PSC report GF/B11/7, the Board will discuss and provide input on the prioritized framework of strategic themes, the corresponding strategic questions, and principles to guide option development at the Twelfth Board meeting.

30. Based on input from the Board on the strategic issues, questions and principles to guide option development, the PSC will develop options for the prioritized issues that will be presented for consideration at the Thirteenth Board meeting.
31. The milestones following the Twelfth Board meeting are laid out below:

i. **Thirteenth Board (April 2006):** Discussion of and decision among options recommended by the PSC.

ii. **Partnership Forum online discussion and event (likely around June/July 2006):** Input on the recommendations and their implications.

iii. **Fourteenth Board (October 2006):** Discussion and approval of final strategy document.

iv. **September 2008 (approximately):** PSC to present mid-term review of progress in implementing the strategy, including recommendations for modification, clarification, or correction.

**Decision Point 1:**

*The Board acknowledges the progress made on developing the situation assessments and affirms the prioritization of issues and the principles to guide option development outlined in GF/B12/5. It requests that the work proceed to the stage of option development and that the Policy and Strategy Committee report on progress at the Thirteenth Board Meeting.*

**Part 3: Update on Implementation of GTT Recommendations**

1. The Secretariat is in the process of following up on all GTT recommendations that specifically mention the Global Fund. At its meeting, the PSC was updated on progress in implementing those recommendations with current operational implications, which are not covered in the strategy development. The Secretariat also highlighted recommendations which have strategic implications and are being therefore being considered within the strategy development. An overview of actions being taken on the recommendations is attached in Annex 6. Recommendation Area 1 of the GTT (“Empower inclusive national leadership and ownership”), which does not explicitly mention the Global Fund, will be taken into account in the strategy development and used as a guiding principle in implementing all GTT recommendations.

2. Other issues highlighted in the PSC discussion are the importance of conducting an exercise similar to the GTT for TB and Malaria, the need to expand the focus of the GTT to include bilateral donors, and the need to avoid a top-down approach in implementing the recommendations.

**Part 4: Continuity of Services Policy**

1. The Secretariat presented an update on the continuity of services work to date. The presentation highlighted the urgency and magnitude of the problem, with a particular focus on patients on anti-retroviral treatment (ART), for whom withdrawing the service directly impacts life expectancy. Of grants supporting ART, 10 are scheduled to end in 2005-6, and close to 70 in 2007-10, covering a cumulative total number of HIV patients of over 1.5 million.

2. Using ART continuation as a pathfinder for other services (such as ACTs for malaria treatment, and treatment for multi-drug resistant TB), three actions brought to the PSC for discussion:
   i. Broadening the applicability of transitional financing for ART;
   ii. Addressing the broader issue of sustainability of services – “Beyond Phase 2” – in the strategy development effort; and
   iii. Engaging in collaborative actions with partners to work toward sustainable universal access, in particular to HIV services.

3. On transitional financing for continuation of treatment, a small working group of PSC members developed a revised decision point which would amend the Board decision point on continuity of services for life-sustaining treatment passed at the 9th Board meeting. That decision point addressed only the situation where a grant was terminated following a Phase 2 review, but did not include other
scenarios, such as the premature termination of a grant or a grant reaching the end of its term without secured funding from a following Round (or a gap between end of term and onset of next Round funding).

4. While a comprehensive approach to this issue will be developed in the context of the Global Fund strategy, a bridging arrangement is required now. To this end, the revised decision point proposes up to two years of additional funding for the continuation of life-sustaining treatments in exceptional cases where a recipient’s funding has ended, and there have been demonstrated, but unsuccessful efforts of finding alternative funding. A sunset clause is written into the proposed decision point to end the policy in 2007, pending further consideration and decision on this matter as part of the strategy effort. The proposal also calls for Board decision on the budget of each request for continued funding. The decision point will be presented at the December Board meeting.

5. It is important to note how this decision fits within the prioritization scheme for funding of grants in a resource-constrained environment. Under prior Board decisions, Phase 2 renewals take priority over new funding rounds. If there is a backlog of Phase 2 renewals, they are funded under a “first in, first out” scheme, where the prior year backlog is cleared before current year renewals are funded, unless a time-limited partial allocation system is agreed by the Board for a particular calendar year (see the decision of the Eighth Board meeting reported in GF/B9/2 page 9).

6. There was no explicit decision by the Board stating how continued funding for continuity of services for unsuccessful Phase 2 renewals (“no gos”) fits within this prioritization scheme, though the Secretariat would group these requests together with all other Phase 2 renewals and treat them as described above. Because there is currently no clarity on how to prioritize continuity of services funding in grants other than Phase 2 no gos (terminations and grants which reach their natural end), the proposed decision includes a section which states that all continuity of services funding decisions are treated in equal priority with Phase 2 renewals as set out above and it Board decision GF/B9/2.

7. It was noted that, for ART, the Global Fund deliberations on continuation of treatment services need to be contextualized within the broader recent initiative on ‘Universal Access’ to HIV prevention, treatment and care. Within the Universal Access initiative, WHO and UNAIDS are taking leadership in developing processes and implementation plans to achieve sustainability of HIV services. The Global Fund will closely coordinate and collaborate with these efforts.

**Decision Point 2:**

The Board recognizes that in exceptional circumstances there may be a need to provide funding for the continuation of treatment in grants where funding ends (whether due to termination, a decision not to provide Phase 2 funding, or a grant reaching the end of its term). The Board recognizes that discussions on whether and how to provide continued funding for treatment will be part of the strategy process. To address exceptional cases that may arise before a comprehensive approach to the issue has been decided, however, the Board replaces the decision at the Ninth Board Meeting on continuity of services (GF/B10/2, Decision Points: Continuity of Services, Decision Point 1) with the following:

The Board adopts the following system for addressing continuity of services:

i. A recipient (typically a CCM) whose funding has ended may submit an Extraordinary Request for Continued Funding for Treatment.

ii. The Extraordinary Request will be limited to expenses directly related to the continuation of treatment (including medicines [which, in the case of discontinuation of antiretroviral therapy, includes drugs for HIV-related opportunistic infections], diagnostics, and, as appropriate, costs for medical staff and other personnel directly involved in care of the patients on treatment) for those people already placed on life-long treatment under the existing proposal at the time of the Extraordinary Request.
iii. The Extraordinary Request will be limited to the amount required to provide services directly related to the continuation of treatment for up to two years (taking into account any amount which remains available under the existing grant).

iv. The Extraordinary Request shall contain a description of the steps that are being taken to find sustainable sources of financing for the people on treatment, and to ensure that treatment is being delivered effectively. To be eligible for funding under this provision the CCM (or, in the case of non-CCM proposals, the grant applicant) shall demonstrate that it has used its best efforts to identify other sources of funding to provide continuity of services but has been unsuccessful.

v. The Secretariat will review the Extraordinary Request, and provide a funding recommendation to the Board for its approval. The Secretariat will address performance issues as appropriate, and shall make any adjustments to existing implementation arrangements necessary to ensure the effective use of grant funds.

vi. Throughout the process, the Secretariat will actively engage with technical partners to identify mechanisms to ensure continuity of services.

vii. In a resource-constrained environment, Extraordinary Requests for Continued Funding for Treatment shall be treated the same as Phase 2 renewals for the purpose of the decision on prioritization set out in GF/B9/2 page 9, Decision Point 2.

This decision shall expire at the first Board meeting of 2007 unless renewed.

Part 5: TERG Update and Discussion of CCM Assessment

1. The Chair of the Technical Evaluation Reference Group presented an update of ongoing evaluation work by the TERG, including: progress on the ongoing evaluation of Global Fund proposal development and review processes; plans for the five-year-evaluation of the Global Fund; and results of the CCM Assessment and TERG recommendations for PSC consideration.

2. As reported by the TERG Chair, the CCM assessment was carried out at the request of the Governance and Partnership Committee. The full report of the TERG on the CCM Assessment can be accessed for reference on the password protected Board website. Responses were received from 82 of 107 CCMs requested to participate. The study was initiated in March 2005, several months before the new CCM eligibility requirements and recommendations were finalized. Therefore, the CCM assessment results are best considered as a “snapshot” of CCM status prior to their receipt of the Revised Guidelines on Purpose, Structure and Composition of Country Coordinating Mechanisms and Requirements for Grant Eligibility and submission of Round 5 proposals.

3. Of the Board-approved requirements for grant eligibility, the CCM assessment found that:
   i. Sixty-six percent (66%) of CCMs reported and documented that its’ membership included people living with or affected by the diseases;
   ii. More than half of CCMs had a transparent, documented process for nominating the PR and overseeing program implementation (51%);
   iii. 43% of all responding CCMs demonstrated a transparent and documented process for soliciting and reviewing submissions for possible integration into the overall proposal to the Global Fund and to ensure the input of a broad range of stakeholders in proposal development and grant oversight;
   iv. 33% of non-governmental sectors represented on CCMs demonstrated a transparent, documented process to select or elect their sector representative;
v. Of those CCMs with a potential conflict of interest (i.e., where the Principal Recipient comes from the same entity as either the Chair or Vice Chair of the CCM), 20% had a written plan to mitigate against conflict of interest at the time of the survey.

4. The TERG Chair confirmed the importance of the CCM study as a self-assessment and management tool. The TERG requested specific follow-up actions to:
   i. Incorporate CCM self-assessment into routine grant management with a focus on identifying weaknesses, taking steps to improve and reporting progress to the Global Fund Secretariat;
   ii. Develop tools and methods for more in-depth sample audits to examine CCM functioning to complement self-assessment methods;
   iii. Work actively with civil society networks to explore means to systematically increase civil society involvement in CCM functioning.

5. The PSC welcomed the work done by the TERG and discussed in detail the methodology of the CCM assessment, its results and the TERG recommendations.

6. The PSC considered a draft decision point on making regular reporting on CCM requirements and recommendations mandatory. After further reflection and discussion, the PSC decided that such a decision point should not be considered at this point in time. Existing Board policies defining requirements for eligibility, and their reinforcement during eligibility screening for new proposals and as a condition for Phase 2 renewals were felt to be appropriate. Furthermore, additional considerations of CCM structure are to take place as part of the ongoing Secretariat work to operationalize the GTT recommendations relevant to CCMs and the examination of CCMs in the strategy process.

Partnership Forum Update

1. The membership of the Partnership Forum Steering Committee has been finalized (see Annex 7) and a first conference call of members has been held. A recommendation on the date and location of the Partnership Forum has been brought to the PSC by email for decision by November 26. In the meantime, the Chair of the Steering Committee has requested that the Secretariat continue its preparatory activities, including the E-Forum to be launched on World AIDS Day and the exploration of potential meeting venues.

Part 6: Update on Countries under the Additional Safeguards Policy

The Secretariat provided a written update on Additional Safeguards Countries to the PSC in advance of its meeting. At the meeting, the COO was available for questions by PSC members on the written update. The COO clarified the exit strategy following the grant cancellation in Myanmar. A request was made that, prior to a grant cancellation or other measures under the ASP, both the CCM and the PR should be given adequate opportunity to respond before the public announcement of a decision.

Part 7: Comments on Replenishment

Regarding the decision point passed at the Eleventh Board meeting, which invites the PSC and PC to submit any recommendations or comments on the Replenishment Report to the FAC, PSC members will submit written comments or recommendations to the Global Fund Secretariat. The Secretariat will consolidate these inputs and will forward these to the FAC after final approval by the PSC. The FAC will make its recommendations to the Board at the Thirteenth Board meeting.

This document is part of an internal deliberative process of the Fund and as such cannot be made public. Please refer to the Global Fund's documents policy for further guidance.
**AGENDA**

**POLICY AND STRATEGY COMMITTEE**

<table>
<thead>
<tr>
<th>Date</th>
<th>2-3 November 2005</th>
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</thead>
<tbody>
<tr>
<td>Venue</td>
<td>Hope Plaza Conference Room, Global Fund Offices, Geneva</td>
</tr>
<tr>
<td>Chair</td>
<td>Randall Tobias, Board Member, USA</td>
</tr>
<tr>
<td>Vice –Chair</td>
<td>Jairo Pedraza, Alternate Board Member, Developed NGOs</td>
</tr>
<tr>
<td>Focal Point</td>
<td>Helen Evans, Deputy Executive Director</td>
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**Wednesday, 2 November 2005**

14:00 – 14:15   **Approval of Agenda**

14:15 – 15:30   **TERG**

- Update on ongoing work
- Five-Year Evaluation
- CCM Assessment
  - Results of Independent Assessment
  - Update on ongoing efforts
  - Implications/Recommendations

15:30 – 16:00   **Partnership Forum Update**

16:00 – 16.30   **Break**

16:30 – 17:30   **Policy Issues**

- Additional Safeguards Update
- PSC comments on replenishment
- Update on Continuity of Services Policy

17:30 – 18:15   **GTT update on recommendations not covered in strategy development**

19:30 – 21:30 **Working Dinner at the RESTAURANT LA BROCHE**

36, rue du Stand - 1204 Genève, Tel. +41 (0)22 321 22 60
(Transport is provided from Global Fund Offices at 19:00)
Thursday, 3 November 2005

8:00 – 8:30 Coffee and Croissants

08:30 – 10:30 **GF Strategy Development – Situational Assessment**
  - Presentation of approach taken and objectives
  - Feedback on themes and issues

10:30 - 10:45 Break

10:45 – 13:00 **GF Strategy Development – Situational Assessment and Sequencing**
  - Feedback on themes and issues (ctd)
  - Framework for sequencing and prioritization

13:00 – 14:00 Working Lunch

14:00 – 16:00 **GF Strategy Development – Guiding principles for option development and recommendations to the Board**

16:00 – 16:30 AOB and Close of meeting
## List of Participants

GF/PSC3/05

<table>
<thead>
<tr>
<th>Constituency</th>
<th>PSC Member</th>
<th>Attendee</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA (Chair)</td>
<td>Ambassador Randall L. Tobias</td>
<td>Ambassador Randall L. Tobias</td>
</tr>
<tr>
<td>Developed Country NGO (Vice-Chair)</td>
<td>Jairo Pedraza</td>
<td>Jairo Pedraza</td>
</tr>
<tr>
<td>Canada - Germany, Switzerland</td>
<td>Montasser Kamal</td>
<td>Montasser Kamal</td>
</tr>
<tr>
<td>East and Southern Africa</td>
<td>Jose Viera Dias Van-Dumen</td>
<td>Daisy Mafubelu</td>
</tr>
<tr>
<td>European Commission</td>
<td>Enrico Mollica</td>
<td>Enrico Mollica</td>
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<tr>
<td>France</td>
<td>Serge Tomasi</td>
<td>Serge Tomasi <em>(3 Nov only)</em></td>
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<tr>
<td>Italy</td>
<td>Luda Riol</td>
<td>Luda Riol</td>
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<tr>
<td>Japan</td>
<td>Masaru Tsuji</td>
<td>Masaru Tsuji</td>
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<tr>
<td>Latin America &amp; Caribbean</td>
<td>Paulo Meireles</td>
<td>Paulo Meireles</td>
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<tr>
<td>NGO Developed</td>
<td>Asia Russell</td>
<td>Asia Russell</td>
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<tr>
<td>NGO Developing</td>
<td>Elizabeth Mataka</td>
<td>Elizabeth Mataka</td>
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<tr>
<td>NGO Rep. Communities</td>
<td>Shaun Mellors</td>
<td>Shaun Mellors</td>
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<tr>
<td>Point Seven</td>
<td>Lennarth Hjelmåker</td>
<td>Lennarth Hjelmåker <em>(3 Nov only)</em></td>
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<tr>
<td>Private Foundations</td>
<td>Helene D. Gayle</td>
<td>Todd Summers</td>
</tr>
<tr>
<td>South East Asia</td>
<td>Prasanna. K. Hota</td>
<td>Arun Kumar Chatterjee</td>
</tr>
<tr>
<td>UNAIDS</td>
<td>Michel Sidibe</td>
<td>Benedict Plumley</td>
</tr>
<tr>
<td>United Kingdom - Australia</td>
<td>Carole Presern</td>
<td>Carole Presern</td>
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<tr>
<td>USA</td>
<td>William Steiger</td>
<td>William Steiger <em>(3 Nov only)</em></td>
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<tr>
<td>Western and Central Africa</td>
<td>Babatunde Osotimehin</td>
<td>Babatunde Osotimehin <em>(3 Nov only)</em></td>
</tr>
<tr>
<td>Western Pacific Region (China)</td>
<td>Ren Minghui</td>
<td>Hu Meiqi</td>
</tr>
<tr>
<td>WHO</td>
<td>Anarfi Asamoa-Baah</td>
<td>Anarfi Asamoa-Baah</td>
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<tr>
<td>World Bank</td>
<td>Debwerk Zewdie</td>
<td>Debwerk Zewdie</td>
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<tr>
<td>Global Fund Secretariat</td>
<td>Name</td>
<td>Function/Subject Matter Specialist</td>
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<tr>
<td>Deputy Executive Director</td>
<td>Helen Evans</td>
<td>PSC Focal Point</td>
</tr>
<tr>
<td>Advisor to the Executive Director</td>
<td>Christina Schrade</td>
<td>PSC Rapporteur</td>
</tr>
<tr>
<td>Executive Director</td>
<td>Richard Feachem</td>
<td>Observer</td>
</tr>
<tr>
<td>Head, Board and Donor Relations</td>
<td>Dianne Stewart</td>
<td>Observer</td>
</tr>
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<thead>
<tr>
<th>Others</th>
<th>Name</th>
<th>Role</th>
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<tbody>
<tr>
<td>Representative of the Board Vice-Chair</td>
<td>Madeleine Leloup</td>
<td>Observer</td>
</tr>
<tr>
<td>Invited Consultants/Advisors</td>
<td>Rolf Korte</td>
<td>Chair of TERG</td>
</tr>
<tr>
<td>Senior Advisor to PSC Chair</td>
<td>Nazanin Ash</td>
<td>Support to PSC Chair</td>
</tr>
</tbody>
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<th>Constituencies not attending</th>
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<th>(not attending)</th>
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<tbody>
<tr>
<td>Eastern Europe</td>
<td>Dana Farcasanu</td>
<td>(not attending)</td>
</tr>
<tr>
<td>Eastern Mediterranean Region</td>
<td>Noureddine Chaouk</td>
<td>(not attending)</td>
</tr>
<tr>
<td>Private Sector</td>
<td>Brian Brink</td>
<td>(not attending)</td>
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</table>
As described on page 4, a slightly modified version of the framework of strategic themes endorsed by the Board at its 11th meeting has been developed. This annex presents the rationale for and nature of the changes, and the resulting revised framework of strategic themes.

**Rationale for and Nature of Changes:**
The rationale for and nature of the changes made to the framework of strategic themes are as follows:

- **Rationale:** Recognizing that the initial framework was assembled in a limited amount of time, it was necessary to elucidate any overlaps between separate issues as well as any ambiguity inherent in the short descriptions of the issues. To this end, the relevant issues were clarified in one-on-one conversations with the PSC members who had initially suggested them – the goal being to ensure faithfulness to the original intent. To properly accommodate the clarified issues and make the necessary groupings between related issues, a few changes were then made to the initial framework of themes.

- **Nature of the changes:** A few issues were moved under a new theme and some issues were combined with others (sometimes under a new, overarching name). These changes were discussed with PSC members in the course of the conversations mentioned above. They were also explained in detail in the document containing the background papers that was submitted for discussion at the 2-3 November PSC meeting.

**Revised Framework of Strategic Themes:**

0. **Introduction**
   a) Strategy scope, horizon and objectives; targets of strategy
   b) Purpose and principles of the Global Fund

1. **Accelerating access and reviewing impact**
   a) Funding the right things (incl. eligibility, portfolio balance/response, priorities, comprehensive approach)
   b) Pre-empting and responding to scientific developments (mechanisms to rapidly identify and react to new scientific insights)
   c) Ensuring grant performance – technical assistance; grants in difficulty
   d) Measuring impact and ensuring accountability (incl. link to broader development goals; portfolio review)

2. **Business model – ‘How we work’**
   a) Global Fund architecture (LFAs, CCMs, PRs, TRP)
   b) Participation and access to financing for Civil Society, Private Sector
   c) Influencing market dynamics

3. **Alignment/harmonization and country sustainability (renamed from: alignment and harmonization)**
   a) Global Fund strategic positioning (incl. comparative advantage; fit of the Fund with the global architecture; and its relationships with partners)
   b) Global Fund harmonization with other donors and alignment with country priorities/systems (incl. round system; project to program)
   c) Beyond Phase 2
   d) Health systems

4. **Financial sustainability (renamed from: sustainability)**
   a) Global Fund funding model – comprehensive funding policy
   b) Resource mobilization (incl. new financing sources; replenishment mechanism; bringing in new partners)
   c) Global Fund size
EXTRACT FROM THE FRAMEWORK DOCUMENT

TITLE, PURPOSE, PRINCIPLES AND SCOPE OF THE FUND

Section I: The TITLE of the Fund will be:
The Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM)

The Secretariat will be responsible for developing options for a common name that is concise and translates well into many languages and cultures.

Section II: PURPOSE

The purpose of the 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.

Section III: PRINCIPLES

A. The Fund is a financial instrument, not an implementing entity.

B. The Fund will make available and leverage additional financial resources to combat HIV/AIDS, tuberculosis and malaria.

C. The Fund will base its work on programs that reflect national ownership and respect country-led formulation and implementation processes.

D. The Fund will seek to operate in a balanced manner in terms of different regions, diseases and interventions.

E. The Fund will pursue an integrated and balanced approach covering prevention, treatment, and care and support in dealing with the three diseases.

F. The Fund will evaluate proposals through independent review processes based on the most appropriate scientific and technical standards that take into account local realities and priorities.

G. The Fund will seek to establish a simplified, rapid, innovative process with efficient and effective disbursement mechanisms, minimizing transaction costs and operating in a transparent and accountable manner based on clearly defined responsibilities. The Fund should make use of existing international mechanisms and health plans.

H. In making its funding decisions, the Fund will support proposals which:

(i) Focus on best practices by funding interventions that work and can be scaled up to reach people affected by HIV/AIDS, tuberculosis and malaria.

(ii) Strengthen and reflect high-level, sustained political involvement and commitment in making allocations of its resources.

(iii) Support the substantial scaling up and increased coverage of proven and effective interventions, which strengthen systems for working: within the health sector; across government departments; and with communities.
(iv) Build on, complement, and coordinate with existing regional and national programs in support of national policies, priorities and partnerships, including Poverty Reduction Strategies and sector-wide approaches.

(v) Focus on performance by linking resources to the achievement of clear, measurable and sustainable results.

(vi) Focus on the creation, development and expansion of government/private/NGO partnerships.

(vii) Strengthen the participation of communities and people, particularly those infected and directly affected by the three diseases, in the development of proposals.

(viii) Are consistent with international law and agreements, respect intellectual property rights, such as TRIPS, and encourage efforts to make quality drugs and products available at the lowest possible prices for those in need.

(ix) Give due priority to the most affected countries and communities, and to those countries most at risk.

(x) Aim to eliminate stigmatization of and discrimination against those infected and affected by HIV/AIDS, especially for women, children and vulnerable groups.

Section IV: SCOPE

1. The Fund will balance its resources by giving due priority to areas with the greatest burden of disease, while strengthening efforts in areas with growing epidemics. The Board of the Fund will be responsible for defining clear eligibility criteria within the limitations of available resources.

2. Recognizing that the Fund’s resources will be complementary to other programs, criteria will be identified to focus the choice of activities/programs/projects to be supported.

3. The Fund will support strategies that focus on clear and measurable results.

4. The Fund will focus its resources on increasing coverage of critical and cost-effective interventions against the three diseases.

5. The Fund will provide grants to public, private and non-governmental programs, respecting country-level public-private formulation and implementation processes, in support of technically sound and cost-effective interventions, for the prevention, treatment, care and support of the infected and directly affected. Without binding the Board or indicating priorities, the sort of activities that could be supported, for example, are: increased access to health services; provision of critical health products, including drugs; training of personnel and community health workers; behavior change and outreach; and community-based programs, including care for the sick and orphans.

6. The Fund will support programs that:

---

17 Including governments, public/private partnerships, NGOs, and civil society initiatives.

18 Examples could include bed nets; condoms; antiretroviral, anti-TB and antimalarial drugs; treatment for sexually transmitted infections; laboratory supplies and materials; and diagnostic kits.
a. Address the three diseases in ways that will contribute to strengthening health systems.

b. Stimulate and are integral to country partnerships involving government and civil society.

7. The Fund will provide resources for the purchase of appropriate commodities to prevent and treat the three diseases, and provide associated support for strengthening comprehensive commodity management systems at country level, as a component of technically sound and reviewed programs.

8. The Fund will support public health interventions that address social and gender inequalities, as well as behavior practices that fuel the spread of the three diseases, with an emphasis on health education.

9. The Fund could support operational research in the context of program implementation.

10. For areas in conflict or distress, the Fund will develop special criteria to support technically sound proposals designed to address critical HIV/AIDS, TB and malaria problems.

11. The Board will meet every three to four months in its first year and thereafter every six months or as required. It could make use of virtual working methods and teleconferencing between meetings. Within the first two years, it is recommended that the Board review its membership structure and operational procedures.
### LINKAGES BETWEEN GLOBAL TASK TEAM (GTT) PRINCIPLES AND GLOBAL FUND FRAMEWORK DOCUMENT

<table>
<thead>
<tr>
<th>GTT Principles</th>
<th>Relevant Link to GF Framework Document</th>
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| Developing and supporting inclusive national ownership and leadership of plans and priorities | III. C. The Fund will base its work on programs that reflect national ownership and respect country-led formulation and implementation processes  
III. H.4. Build on, complement, and coordinate with existing regional and national programs in support of national policies, priorities and partnerships, including PRSps and SWAps.  
VI. C. 2. A CCP may consist of existing and already costed plans. … In addition, the note should describe how the CCP fits within the overall national health program.                                                                                       |
| Alignment and harmonization (as means to achieve results on the ground)          | VI. A. 2. The Fund will promote partnerships among all relevant players within the country and across all sectors of society. It will build on existing coordination mechanisms and promote new and innovative partnerships where none exist.  
VI. A. 3. The Fund will work with and support existing and new innovative programs at national and multi-country levels. This could include programs such as National AIDS Plans, National Health Strategies and country elements of Stop TB and RBM, as well as PRSps and SWAps. It will take into account regional frameworks and global level recommendations. |
| Reform for a more effective multilateral response                                | VI. B.5. The role of the UN agencies, multilateral and bilateral agencies and other development agencies in the mechanism should be country partnership-driven and reflect the roles of these partners in AIDS, TB, and malaria programs in-country.                                                                                                                                  |
| Ensuring accountability and oversight                                           | III. H.5. Focus on performance by linking resources to the achievement of clear, measurable and sustainable results  
VI. E. 3. An independent, impartial annual assessment of progress at the country level will be done.  
IX. A.1. The Global Fund will require sound processes for specifying, tracking and measuring program results to ensure a sufficient level of accountability…  
IX. A. 9. … the monitoring of the fiduciary and financial accountability process is intimately linked with programmatic monitoring and evaluation  
IX. D.1. Oversight for monitoring and evaluation will remain the ultimate responsibility of the Board…                                                                                                           |

### Global Fund Related Recommendations & Deliverables from the Global Task Team Report

#### Annex 6

<table>
<thead>
<tr>
<th>DDT Recommendation Area</th>
<th>Specific DDT Sub-Recommendation(s)</th>
<th>Follow-Up within Global Fund Strategy Effort</th>
<th>Follow-Up within Global Fund Policy Work (G/22/5)</th>
<th>Follow-Up within Global Fund Operations Work (Status)</th>
</tr>
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<tbody>
<tr>
<td>2. Alignment and harmonization</td>
<td>Improved alignment between national cycles and national action plans, and their alignment with institutional mandates, policies and strategies.</td>
<td>GF and WB are reviewing guidelines for managing multiple grants. (Ongoing)</td>
<td>No strategy follow-up required.</td>
<td>GF and WB are identifying countries with common principal recipients of funding. (To be undertaken)</td>
</tr>
<tr>
<td>2.2. In line with the OECD/DAC Paris Declaration, the Global Fund, the World Bank, other multilateral institutions and international partners will progressively shift from project to programme financing based on costed, prioritized, evidence-based, and multisectoral national AIDS action frameworks that are linked to broader development processes such as Poverty Reduction Strategies.</td>
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**Twelfth Board Meeting**

**Marrakech, 15-16 December 2005**

**GF/B12/5**

25/27
3. Reform for a more effective multi-lateral response

3.2. The multi-lateral system should establish a joint UN system - Global Fund problem-solving team (global level) to be set up that AIDs programs.

The joint UN system - Global Fund team will meet regularly to help address problems identified by country level stakeholders.

No policy follow-up required

Global Implementation Support Team (GIST) is now operational, with the countries having been discussed. (Ongoing)

3. JUADIES Co-sponsors and the Global Fund should have a multi-lateral level (country level) of shared initiatives, based on common objectives and priorities, in order to receive effective support from the Global Fund.

The Global Fund and the World Bank have jointly engaged in external consultation to establish a specific area of overlap, comparative advantages and complementarities between the two.

The Global Fund and the World Bank have jointly been discussing possible ways to use external consultation to establish areas of overlap, comparative advantages and complementarities between the two.

No policy follow-up required

To be determined

4. Accountability and oversight

GF is in process of developing agreed-upon information sharing guidelines and all cases for financial performance and performance are placed on the Global Fund website. (Ongoing)

* The Global Fund, the World Bank, and other multilateral institutions allow international partners to regularly provide to national AIDS coordinating authorities and the general public, information on planned and actual commitments and disbursements, including the recipients and the balances and interim reports and information on the performance of the programs financed, including actual results achieved against targets.

No policy follow-up required

GF to develop mechanisms for shared financial performance assessment and reporting. (To be undertaken)
# Partnership Forum Steering Committee

## Proposed Membership List

(As of 7 November 2005)

<table>
<thead>
<tr>
<th>Constituency</th>
<th>Title</th>
<th>Name</th>
<th>Surname</th>
<th>Telephone</th>
<th>Fax</th>
<th>Email</th>
</tr>
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<td><strong>Canada - Germany, Switzerland</strong></td>
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TBN - to be named