



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Twelfth Board Meeting
Marrakech, 15-16 December 2005

GF/B12/6
Revision 1

REPORT OF THE PORTFOLIO COMMITTEE

Outline: This report summarizes the discussions and recommended decision points of the 2nd Portfolio Committee Meeting held in Geneva on 24-25 October 2005.

Summary of Decision Points:

1. The Board approves no cost extensions at the end of a proposal completion date based on exceptional circumstances (Part 4).
2. The Board approves the document entitled “Phase 2 Decision-Making Policies and Procedures” included as Annex 1 to this Report and revokes all previously-approved versions of such document (Part 8).
3. The Board exempts the Vice Chair of the TRP, Peter Godfrey-Faussett, from the requirement that TRP members leave the TRP after four Rounds of proposal review, in order to serve as the TRP Chair in Round 7 and 8 (Part 9).
4. The Board requests the Portfolio Committee to recommend for approval at this Board meeting one additional alternate member of the Technical Review Panel for each area of expertise (HIV/AIDS, tuberculosis, malaria, and cross-cutting) (Part 9).

Part 1: Introduction

1. The Portfolio Committee (PC) met on 24-25 October 2005 in Geneva. The Chair and Vice Chair of the meeting were Minister Urbain Olanguea Awono (West and Central Africa) and Mr. Flavio Lovisolo (Italy) respectively. The agenda of the meeting and the list of participants are included in Annex 2 and 3 respectively. The Chair of the Technical Evaluation Reference Group (TERG), Prof. Rolf Korte, attended the full PC meeting at the invitation of the Chair.

Part 2: Operations Update

1. Chief of Operations (COO), Brad Herbert, presented the Operations Update, which included details on Portfolio progress (disbursements, grant expenditure rate) and Phase 2 Renewals. He highlighted two new approaches to the upcoming Round 5 grant signings - the introduction of a new LFA Assessment tool for PRs who are already implementing GF-funded programs and the introduction of updated M&E Guidelines that have been adjusted to increase efficiency and clarity. He then updated the PC on the further development of the Early Alert and Response System, and continued implementation of the policy for quality assurance of single and limited-source products.

Early Alert and Response System

2. PC members requested the list of countries that are currently on the EARS list. The COO reported that grants are included on the list due to late disbursement requests and complemented by contextual information. He added that EARS intends to anticipate performance concerns that were previously captured during Phase 2 reviews. The system must evolve to include contextual information so as only to allow prioritization of countries needing technical assistance, particularly in the context of the Global Implementation Support Team (GIST) -- a coordination body that brings together technical partners to galvanize technical assistance.

“Repeat” PRs and Grant signing

3. The COO reported that PR assessments for all TRP-recommended proposals would begin immediately, while prioritizing those for which funding is immediately available. The COO clarified that the new assessment tool for “repeat PRs” would address concerns about absorptive capacities of such Principal Recipients. The establishment of EARS is also likely to alert the Secretariat poor performance related to absorptive capacities during program implementation.

Green Light Committee

4. The GF Board requires i) GLC certification for GF proposals including use of Multi-Drug Resistant TB treatments and ii) procurement for such drugs to be conducted through the GLC. The COO stated that the GF is committed to identifying sustainable funding solutions for the important work of the GLC and that the approach should be based on the “LFA model”, or fees paid to third-party entities that provide services to the GF to ensure quality assurance. PC members agreed on the importance of the GLC, but expressed the desire for all donors to share associated costs. They requested an “options paper” overseen by the Foundations, Canada/Germany/Switzerland and WHO constituencies that would outline specific funding proposals for deliberation and relevant recommendations to the Board. The options paper would include the cumulative costs of GLC operations, the current funding status, the GLC work associated with the GF, and possible costing models.

Grant Suspension/Termination

5. The COO reviewed past scenarios and briefly explained the rationale for the actions taken by the Secretariat in : i) North Korea: the grant was never signed because the Secretariat could not reach agreement on the governance and oversight structure of the program; ii) Myanmar: the grant was terminated because the Government did not fulfill its commitment to allow unhindered access to project sites and no other PR or *modus operandi* could be identified; iii) Ukraine: the grant was suspended due to a loss of confidence in governance structures; when a new PR was

identified, activities resumed; iv) Uganda: the grants were suspended due to grave concerns about mismanagement led to the suspension of the grant; when concerns were addressed, activities resumed.

6. PC members supported the Secretariat's approach to apply the principles of performance-based funding, but wished to gain a better understanding of the criteria applied to terminations and suspensions. Concerns were also voiced about the reliability of information and the facts upon which such actions were based. The PC requested a background paper, including lessons learned, and a clearly outlined procedure and methodology for Grant Suspension/Termination.

Bridge funding to allow for continuity of services

7. The COO highlighted the situation faced by a Burundi Round 1 HIV grant that will end in March 2005, while the TRP-recommended proposal designed to continue 5,360 patients on ARV treatment is ranked low on the prioritization list (2B with a composite index 8). This situation raised concerns about the design and architecture of the fund, including its Comprehensive Funding Policy, the system of funding by rounds, and existing prioritization criteria, among many others. The PC recommended a decision point, but since this matter was also addressed by the PSC recommendation to the Board, such decision point has not been submitted to the Board.

LFA Issues

8. COO highlighted steps taken by the Secretariat to improve LFA performance, including hiring a full-time LFA Manager, revisiting Terms of Reference for LFAs on a case by case basis, updating the tendering process, examining costing and engaging new LFAs where sub-optimal performance was reported. Two key areas of concerns were LFA roles in assessing/verifying procurement and monitoring and evaluation activities. PC members requested the Secretariat to prepare a background paper outlining key areas of concern, ongoing activities, timelines and potential areas for improvement for discussion at the next PC meeting. In view of the COO's impending departure from the GF and his experience in the matter, PC members requested that this paper is prepared by 30 November 2005.

Documented Evidence

9. CCMs are required to show evidence of i) membership of people with or affected by the diseases, ii) representatives of non governmental organizations having been selected based on a documented, transparent process, iii) having put in place a transparent, documented process to develop, solicit and review submissions for possible integration into the proposal, nominate the Principal Recipient(s) and oversee program implementation and ensure the input of a broad range of stakeholders, including CCM members and non-members, in the proposal development and grant oversight process (9th Board Meeting). The COO discussed the level of detail requested as "evidence". At the moment, CCMs are required to submit voluminous documentation to show that the requirements are met, including, for example, newspaper clippings showing advertisements of the proposal process, and documentation showing how NGO representatives were elected. The COO put forth the idea that signed certification from all CCM members in the form of signed minutes should suffice as "evidence", placing the onus of proof collectively on CCM members. He suggested that the level of detailed "proof" and documentation on CCM requirements could be solicited if questions arose about the legitimacy of the CCM documentation, but that the baseline requirement could be fulfilled with signatures of CCM members, records of meetings and FPM observations from missions. PC members agreed that the acceptable levels of documented evidence should be determined by the Secretariat and endorsed the general approach proposed in the COO's presentation.

Part 3: Multiple Grants in the Same Country in the Same Country

1. The Secretariat presented a paper which provided both qualitative and quantitative analyses of the scope of the problems associated with overlapping Service Delivery Areas, geographic

region and scaling up of response in each disease. The analysis explored operational and immediate solutions that could be offered to on a voluntary basis to CCMs and PRs.

2. Countries with the same PR and multiple grants in the same disease component face special challenges (32 countries in total). In such cases, difficulties are associated with disaggregating and reporting results, measuring impact against national program strategies, obtaining a holistic view of the impact of Global Fund financing, harmonizing reporting, achieving economies of scale and rationalizing costs. This situation creates special challenges for the Secretariat, including high transaction costs for repeated disbursement requests, LFA assessments, Phase 2 reviews and general oversight.

3. The proposed solutions will focus on streamlining assessments (underway), combining where possible M&E plans and performance targets, combining procurement plans and consolidating work/plans and budgets. All these activities must be undertaken with a view to tracking results per round and per grant.

4. The PC strongly endorsed this approach, and requested the Secretariat to share the experience of one or two pilot cases. The PC also suggested that the Secretariat explore the possibility of consolidating Grant Agreements. Members recognized the problems associated with the need to attribute results and noted that this issue bedevils many development organizations. The PC also recognized that countries also have a responsibility to ensure that they conduct solid gap analyses and put in place a strategic plan. The proposal process should also evolve to ensure the applicant CCMs indicate the link between the current proposal and ongoing Global Fund financed programs as well as those funded by other donors.

Part 4: No Cost Extensions for Programs Approaching Proposal Completion Date

1. The Secretariat presented a background paper which addressed issues associated with the use of Board-approved funds at the end of the proposal completion date (Phase 2 Ending Date).

2. The Secretariat anticipates two possible scenarios that may prevent the full amount of board approved funds to be used by the Proposal Completion Date (Phase 2 Ending Date.) The first scenario is where a Principal Recipient may encounter exceptional circumstances beyond its control that delay program implementation.

3. In a separate but related scenario, a limited number of programs will have been granted a no cost extension of Phase 1 (as per Board-approved policy). Such extensions delay the Phase 2 review, but do not change the total proposal length (which range from three to five years). Therefore, the length of time after the first disbursement in Phase 2 is shorter than intended in the original proposal. Principal Recipients will have less time to spend Phase 2 funds, and thus may fail to implement the full scope of their program and to achieve their proposal objectives. An extension of the proposal term would offset Phase 2 program time lost by the prior extension of Phase 1, and may allow Principal Recipients a better opportunity to utilize Phase 2 funds to implement the full scope of their program.

4. The discussion focused on whether there is a need for the PC to define exceptional circumstances. It was agreed that the discretion should be left with the Secretariat.

Decision Point 1:

The Board authorizes the Secretariat to extend the Phase 2 term of Grant Agreements by up to six months, without committing any additional funding, in circumstances where the Principal Recipient is prevented, due to exceptional circumstances, from using the full amount of Grant funds during the Phase 2 term.

The Board decides that in circumstances where the term of a Phase 1 Grant Agreement has been extended in accordance with paragraph 4 of the Phase 2 Decision-Making Policies and Procedures attached as Annex 1 of this Report (a "Phase 1 Extension"), the Secretariat may extend the Phase 2 term of Grant Agreements by up to an equal length of time as the Phase 1 Extension without committing any additional funding.

The Secretariat shall inform the Board immediately upon taking action under these decisions.

Part 5: Improving NGO Access to Global Fund Resources

1. The Secretariat presented a background paper which analyzed the nature and type of NGO applications outside CCM structures.
2. NGO proposals are considered non-eligible because they lack a verifiably valid reason for applying outside the CCM, lack evidence of having contacted the CCM or lack CCM endorsement. Possible reasons identified for NGO applications outside CCMs include the size of large countries rendering CCMs less inclusive, insufficient partnership between government and civil society, lack of understanding of Global Fund procedures and a robust civil society.
3. Discussion focused on the CCM functioning and its effects on NGO participation at all levels. There was debate about the role of NGOs in national strategies. It was highlighted that CCM questionnaires or self-assessments cannot capture this complex political dynamic on the ground and that in countries where governments made efforts to include NGOs, collaboration took place more seamlessly. A number of PC members highlighted the importance of preserving the centrality of CCMs to the Global Fund's architecture and the need to allow time for new CCM requirements to be fully integrated.
4. The Chair of the TERG outlined the findings of the TERG study on CCMs. It was agreed that self assessments should become a regular feature of CCMs with the findings of the TERG study used as baseline data. It was also suggested that large countries be encouraged to create sub-national CCMs while the private sector and technical partners should focus on creating capacity within NGOs. It was also suggested that NGOs have a role to play in organizing themselves more effectively (especially to become Principal Recipients) so as to improve their participation in CCMs and elsewhere.
5. It was agreed that before making more concrete proposals to the Board, the PC would await the outcome of the ongoing TERG study on the proposals process.

Part 6: Eligibility Criteria

1. At its 1st meeting the PC decided to establish a small working group to further explore issues related to expanding eligibility requirements for Upper Middle Income (UMIs) countries. The Sub-Working Group, chaired by the Vice Chair of the PC, met in London on 7 September 2005. This issue had been discussed without resolution on several occasions by the Portfolio Management and Procurement Committee (PMPC) (see GF/B11/08).
2. The Sub-Working Group discussed the following:
 - a. Need for national investment in national health: The absence of government spending on the diseases is not an acceptable criterion for expanding eligibility. As such, political commitment to fighting the three disease should be explicitly required;
 - b. Social Exclusion: Should eligibility be expanded based on the need to address the needs of vulnerable populations? Debate focused on if it would be possible to measure the level of marginalization and the disease burden in these populations. It was also noted that in

- cases of sudden shocks, whether economic or a natural disaster, the most vulnerable, by definition, are often more affected than the general population, hence the need to ensure availability of support from the Global Fund to those segments of the population.
- c. Cross-border issues: There is a need to move beyond analysis by national income level, to account the high mobility of vulnerable populations.
 - d. Additionality of Global Fund financing in countries with limited donor presence: Due to their income status, many donors are pulling out of UMIs. A small co-investment by the Global Fund is likely to have a very significant impact in places with multiple donor contributions.
3. The Sub-Working Group proposed that work could continue based on exploring the following:
 - a. Target Population:
 - General Population: Provide a list of countries that would be eligible if the cut off point for “high disease burden” would be “four” instead of the existing “five” according to the UNAIDS index
 - Vulnerable groups: Explain whether statistics exist that would enable capturing reliable and consistent data on pockets of groups and how vulnerable groups could be targeted.
 - b. Counterpart Financing: There was agreement that counterpart financing at a level higher than currently applicable is a sine quo non for expanding eligibility requirements. Suggestions put forward included beginning with a 20% co-investment, and increasing to 50% over the lifetime of the grant. If a second application is submitted, the ratio should increase to 50% for the first two years and end with 80%.
 - c. Special Macro-Economic situations: There was agreement that certain special categories of fragile economies or economic conditions, could trigger eligibility. These include:
 - Small island states ;
 - Economic shock: As defined by World Bank and other regional banks, including baking crisis (Argentina) and currency crisis (Dominican Republic); and
 - Natural Disasters affecting macro-economic condition of a country.
 - d. Follow up research: Some donor countries may have restrictions vis-à-vis their capacity to fund upper middle income countries. This restriction needs to be studied further. This research should also take into account European countries that have recently acceded to the EU.
 4. A number of PC members noted that many donors have “pulled out” of UMIs because these countries no longer need economic assistance. Marginalization and economic shocks are important factors to consider, but a number of members suggested the Global Fund should not be the first line of support and funding for such scenarios.
 5. Other members highlighted that the Global Fund was established as a global institution, and especially where HIV/AIDS is concerned, there is a fast-spreading epidemic that must be contained. The example of the Russian Federation was cited, and questions were raised about whether Global Fund financing should stop and the HIV/AIDS epidemic allowed to spread beyond its borders. Other members noted that expansion of eligibility for UMIs would not be a permanent “entitlement” and that a number of safeguards can and should be built in.
 6. Due to the lack of consensus, it was agreed that the Sub-Working Group should continue its work and report back to the Portfolio Committee.

Part 7: Review of the Report of the Replenishment

1. At its Eleventh meeting, the Board requested the FAC to be the lead committee to review the contents of the Report of the Replenishment (GF/B11/5), and invited the PC (and PSC) to review the Report and provide any recommendations to the FAC.
2. The PC reviewed the report and did not have any input or recommendations to the FAC.

Part 8: Operationalization of Phase 2 No Go Decision Process

1. At its Eleventh meeting, the Board endorsed the recommendations of the Phase 2 Task Force (GF/B11/10) with regards to process for Phase 2 “no go” recommendations by the Secretariat, and directed the PC to operationalize them.
2. PC members discussed the matter at length. Key areas of concern related to following:
 - a. the need for a field visit during the course of deliberations on a “no go” decision to better understand the dynamics on the ground;
 - b. the possibility of sharing the outcome of the Phase 2 Panel with the GIST so as to expedite the provision of technical assistance;
 - c. the difficulty of obtaining the adequate profile of experts for the independent panel and whether intimate knowledge of Global Fund processes was a necessary prerequisite;
 - d. the level of “new” information that can and should be accepted during Board deliberations;
 - e. the need for the independent panel to be as objective and neutral as possible; and
 - f. the complexities of the newly proposed “no go” process.
3. The following principles were agreed upon:

Principles for the Composition of the Independent Panel

- a. Size: Two senior members supported by 1-2 contracted analysts, as appropriate;
- b. Independence: Potential conflict of interest should be taken into consideration in selecting these members;
- c. Profile of Senior Members: The team of senior members should have a solid understanding of country processes;
- d. Profile of Analysts: Analysts should have the capability to fully understand Global Fund principles and procedures;
- e. Identification of Candidates: Pool of pre-qualified candidates for Senior Members and Analysts is identified through partners, including WHO, UNAIDS and the WB. A list of these candidates is compiled by the Secretariat, and each candidate submits a CV to the file for review. A proposed “reserve list” will be compiled based on this selection process.;
- f. Selection of Panel: The list of tentative candidates will be submitted to the Chair and Vice Chair of the Board and the Chair and Vice Chair of the PC. The selection of the Senior Members and Analysts of the independent panel shall be carried out by the Chair and Vice Chair of the Board in consultation with the Chair and Vice Chair of the PC;
- g. Panel members (Senior Members and contracted analysts) will be remunerated; and
- h. The Secretariat will facilitate the process.

Principles for Independent Panel's Scope of Work

- a. The objective of this external review is to submit conclusions to the Board based on all information put forth by the CCM, PR, Secretariat and Board constituencies;
- b. At the discretion of the independent panel, a field visit may be carried out;
- c. The analysis shall include a chronology of information provided, a typology of the content and an analysis of the source and flow of information;
- d. The review shall take into consideration the different arguments analyzing how they refer to each other, highlighting areas of agreement and disagreement, and defining the areas which have not been previously addressed by the parties involved;
- e. The independent panel shall report to the Board no later than six weeks after receipt of the relevant information from the Secretariat.

Decision Point 2:

The Board approves the document entitled “Phase 2 Decision-Making Policies and Procedures” included as Annex 1 to this Report and revokes all previously-approved versions of such document.

Part 9: Technical Review Panel (TRP) Lessons Learned and Health Systems Strengthening (HSS)

1. At its Eleventh meeting, the Board directed the PC to, “present to the thirteenth Board meeting their recommendations, on a stand-alone basis, for resolving the technical problems that occurred in Round 5 concerning Health Systems Strengthening (HSS) issues, in order to improve future guidelines”.

2. The Chair of the Technical Review Panel (TRP), Dr. Jonathan Broomberg, joined the PC discussion via teleconference from South Africa.

3. The Portfolio Committee noted that the Proposals Form and Guidelines must be improved to identify linkages and additionality with existing grants and programs, include information about absorptive capacity, determine conditions under which CCMs may apply for a new grant when ongoing grants are slow in their implementation, define the value-added of regional proposals and specify definitions of counterpart financing.

4. The TRP Chair stressed that the Round 5 Guidelines were a “dramatic” improvement and as a result, proposals were better structured and more coherent.

5. To improve the quality and scope of Proposals, it was recommended that the Global Fund should encourage greater participation of the private sector, and identify and assist countries that repeatedly fail or appear to disregard the TRP’s advice by drawing “failed” applicants’ attention to particularly strong proposals.

6. The Global Fund must decide whether if HSS components should be submitted separately or within disease proposals. The PC encouraged the analysis on this issue to be carried out in the context of recommendations of the Global Task Team with due consideration about the comparative advantages of the World Bank and the Global Fund in this area. It was agreed that a working group, led by WHO and including the World Bank and the Global Fund, will work to address HSS issues and to report its recommendations to the PC at its next meeting.

7. The Global Fund should replace TRP members whose terms have expired, increase the size of alternate members by four to allow some flexibility to call on additional assistance when needed, identify experts with nutritional expertise and extend the term of the Vice-Chair of the TRP. The PC strongly stressed the importance of ensuring appropriate geographic and gender diversity on the TRP. The need for familiarity with gender and children’s issues was also highlighted. Concerns were raised about the role of alternates and the possibility of their becoming full-fledged TRP members on a rolling basis. The TRP Chair underlined that expectations of Alternate members must be tempered with a clear understanding of their role and that their appointment as an alternate does not automatically qualify them for TRP membership. He believed that a new search for TRP members should be launched regularly unless the current pool of Alternate TRP members is expanded.

8. When screening Proposals, the Global Fund should limit the number of interactions with the applicant, summarize clarifications to TRP, define cut-off date for screening process and better define and communicate eligibility decisions. Concerns about this issue focused on giving an unfair advantage to some countries by providing excess aid from the Secretariat for completing missing information. CCMs should be able to follow directions outlined in the Guidelines.

9. The TRP review process should systematically provide additional background information for screeners, including WB Aide Memoires, FPM reports etc and review confidentiality of the process.

10. All the issues above will be considered by the Secretariat as it develops the Guidelines for Proposals for Round 6. The PC will review the guidelines and incorporation of the recommendations prior to the thirteenth Board meeting.

11. PC members inquired whether the remuneration of the TRP needed to be reviewed. The TRP Chair said that it was an honor to serve on the TRP and that there was no need to consider this issue.

Decision Point 3:

The Board exempts the Vice Chair of the TRP, Peter Godfrey-Faussett, from the requirement that TRP members leave the TRP after four Rounds of proposal review, in order to serve as the TRP Chair in Round 7 and 8.

Decision Point 4:

The Board requests the Portfolio Committee to recommend for approval at the 13th Board meeting one additional alternate member of the Technical Review Panel for each area of expertise (HIV/AIDS, tuberculosis, malaria and cross-cutting).

The Board authorizes the Chair and Vice Chair of the TRP to add temporarily up to four members, which shall be selected from existing Alternate Members, to the membership of the TRP for a given round of proposals, where appropriate in light of the number of proposals and their distribution among categories.

Part 10: TERG Update

1. The Chair of the TERG provided an update on the areas of work, progress to date and TORs of the TERG. He also summarized the findings of the CCM Assessments study and updated the PC on the upcoming evaluation of the Global Fund proposal development and review process.

Part 11: Work plan

1. Due to the large work plan, specially in relation to preparations for the Guidelines for Proposals for Round 6 as per Board decision, it was decided that the PC would meet twice prior to the 13th Board meeting:

- i. 3rd PC meeting: 26-27 January 2006
- ii. 4th PC meeting: 15-16 March 2006

2. The Chair concluded the meeting by thanking the Chief of Operations for his unstinting dedication and commitment that had contributed significantly to the rapid scale-up of the Global Fund. He wished him well in his future endeavors.

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.

Decision Point 2 to the Board amending the Phase 2 Decision-Making Policies and Procedures

Phase 2 Decision-Making Policies and Procedures

(Annex 3 of GF/B9/8 and amended after the 10th Board meeting, as per Decision Point 1 in the “Phase 2 Decision Process.”)

1. The Board may commit funds for Phase 2 renewals (up to the full duration of a proposal) up to the cumulative uncommitted amount pledged through the calendar year of the Board decision.
2. The Board makes funding decisions for Phase 2 renewals based on its review of Secretariat or Technical Review Panel (TRP) recommendations, according to procedures agreed by the Board.
3. The Secretariat or TRP will present the Board with its recommendations on the first of every month (notice to Board constituencies of a recommendation shall be effective upon the posting of the recommendation on the Global Fund website; the Secretariat will inform Board constituencies via e-mail when recommendations have been posted). The Board will vote by email on each recommendation on a no-objection basis. Votes must be received by the Secretariat no later than the tenth of the same month.
4. In exceptional circumstances, the Secretariat may need to take more than 20 months to provide a Phase 2 recommendation to the Board. In such situations, the Secretariat may extend, at no cost, the term of Phase 1 grant agreements by up to six months. The Secretariat shall inform the Board immediately upon taking action under this decision.
5. ***If the Secretariat decides to issue a “no go” recommendation, it shall give notice of that intention and the reasons for it to the relevant CCM and allow that CCM four weeks to comment on the information submitted to it by the Secretariat.***
6. ***The Secretariat shall review and consider the information provided by the CCM, and then make its recommendation to the Board. The information provided by the CCM shall be made available to the Board.***
7. A Board decision in favor of a Secretariat or TRP recommendation either:
 - Commits additional resources in the amount proposed in the recommendation (in the case of recommendations of “Go,” “Conditional Go,” and “Revised Go”); or
 - Does not commit any additional resources (in the case of recommendations of “No Go”), thereby discontinuing the proposal after Phase 1.
8. If the Board does not decide in favor of a Secretariat or TRP recommendation, this would serve to request further clarification on the recommendation and ask the Secretariat or TRP to reassess its recommendation. To facilitate the clarifications process, those Board constituencies that are not ready to decide in favor of a Secretariat or TRP recommendation would provide a written explanation that is made publicly available. The Secretariat or TRP will review its recommendation in light of the questions and comments of those Board constituencies and will then present a second recommendation on the first day of the subsequent month (unless time-constraints make it necessary to wait to the month thereafter). The Board then votes again, on the second Secretariat or TRP recommendation, using the procedures described above.
9. A Board decision in favor of the second Secretariat or TRP recommendation either:
 - Commits additional resources in the amount proposed in the recommendation (in the case of recommendations of “Go,” “Conditional Go,” and “Revised Go”); or
 - Does not commit any additional resources (in the case of recommendations of “No Go”), thereby discontinuing the proposal after Phase 1.

10. In the event that (i) the Board rejects a first “no go” recommendation, (ii) the Secretariat issues a second “no go” recommendation to the Board and (iii) the Board rejects the Secretariat’s second “no go” recommendation, the matter shall be referred to an independent panel, which shall assess the specific areas where the Board and the Secretariat differ on their assessment of the grant and report its conclusions to the Board.

11. The Composition of the Independent Panel will be based on the following principles:

- **Size: Two senior members supported by 1-2 contracted analysts, as appropriate.**
- **Independence: Potential conflict of interest should be taken into consideration in selecting these members**
- **Profile of Senior Members: The team of senior members should have a solid understanding of country processes.**
- **Profile of Analysts: Analysts should have the capability to fully understand GF principles and procedures.**
- **Identification of Candidates: Pool of pre-qualified candidates can be identified through partners, including WHO, UNAIDS and the WB. A proposed “reserve list” will be compiled based on this selection process.**
- **Selection of Panel: The selection of the independent panel shall be carried out by the Chair and Vice Chair of the Board in consultation with the Chair and Vice Chair of the PC.**
- **Panel members will be remunerated.**
- **The Secretariat will facilitate the process.**

12. The Independent Panel’s scope of work will be based on the following principles:

- **The objective of the external review will be to submit conclusions to the Board based on all information put forth by the CCM, PR, Secretariat and Board constituencies.**
- **At the discretion of the independent panel, a field visit may be carried out.**
- **The analysis shall include a chronology of information provided, a typology of the content and an analysis of the source and flow of information.**
- **The review shall take into consideration the different arguments analyzing how they refer to each other, highlighting areas of agreement and disagreement, and defining the areas which have not been previously addressed by the parties involved.**
- **The independent panel shall report to the Board no later than six weeks after receipt of the relevant information from the Secretariat.**

13. The final decision on making a funding commitment will be made at the next Board meeting.

14. In circumstances in which insufficient resources remain in Phase 1 to cover financing needs until any Board decision in the Phase procedure can be operationalized, the Board authorizes the Secretariat to extend the terms of the grants by up to six months, and to provide bridge funding for such grants as appropriate. The Board authorizes the Secretariat to commit up to a maximum of one-half of the first year budget contained in the Request for Continued Funding in question for these purposes, which would be financed by utilizing the Phase 2 renewal funding of the proposal. The actual amount committed by the Secretariat would be based primarily on the performance and disbursement patterns in Phase 1.

For proposals for which the Board commits Phase 2 funds, a sufficient amount of assets to cover the full costs of the extension of the Grant Agreement must be deposited with the Trustee or readily available on demand prior to the Secretariat extending a Grant Agreement.

AGENDA PORTFOLIO COMMITTEE

Date :	24-25 October 2005
Venue :	Global Fund Office, Hope Plaza Conference Room, Geneva
Chair :	H. E. Mr. Urbain Olanguena Awono
Vice – Chair :	Mr. Flavio Lovisolò
Focal Point :	Mr. Wm. Bradford Herbert

Monday, 24 October 2005

- 9h00-9h30 Approval of Agenda and PC Workplan
Background Documents: GF/PC2/01 and GF/PC2/02
- Approval of agenda issues for 2nd PC Meeting
 - Review of Board decisions affecting PC workplan
 - Agreement on PC workplan and priorities in preparation for 12th Board Meeting (Board meeting (26-28 April 2006)

OPERATIONAL MATTERS

- 9h30-10h30 Operations Update: Brad Herbert
- Update on i) EARS, ii) Implementation of Quality Assurance Decision, iii) Update on Phase 2 iv) Green Light Committee; v) Grant suspensions/termination
- 10h30-10h45 Coffee break
- 10h45 –11h45 Discussion on Operations Update; including Grant Termination/suspension
- 11h45 – 12h45 Multiple Grants in same country: Paula Hacopian
Background Document: GF/PC2/03
- Source: Outcome of PC Meeting 20 July 2005
 - Presentation on Scope of Problem
 - Discussion
- 12h45-13h45 Lunch
- 13h45-14h45 No Cost Extensions for Grants: Paula Hacopian
Background Document: GF/PC2/04
- Source: Outcome of PC Meeting 20 July 2005
 - Presentation on Scope of problem
 - Discussion, possible recommendation to the Board

FOLLOW UP TO BOARD DECISIONS IN PREPARATION FOR ROUND 6

- 14h45- 15h30 TRP Matters: Ruwan De Mel
Background Document: GF/PC2/05 and GF/PC2/06
- Review of Lessons Learned Report to the Board
 - Agree on roadmap to applying lessons learned
 - HSS matters: Alex Ross
 - Replacement of TRP members (2)
- 15h30-15h45 Coffee break
- 15h45-17h30 Continuation of discussion on TRP Matters

Tuesday, 25 October 2005

- 9h00-10h00 NGO Proposals Outside CCM Structure: Brad Herbert
Background Document: GF/PC2/07
- Presentation on Secretariat findings
 - Follow up to Board decision for 13th Board: Agreement on Work method and objectives
 - NGO access to Global Fund Resources
- 10h00-10h45 Eligibility Criteria: Flavio Lovisolo
Background Document: GF/PC2/08
- Information to Portfolio Committee on London meeting
 - Discussion on next steps
- 10h45-11h00 Coffee break
- 11h00 – 11h45 Review of Replenishment Report: Brad Herbert
Background Document: GF/PC2/09
- Follow up to Board decision: PC to review issues relevant to it and recommend to FAC
- 11h45-12h15 Wrap up and agreement on all matters related to preparation for Round 6
- 12h15 – 13h15 Lunch

PHASE 2 MATTERS

- 13h15 – 15h00 Operationalization of Phase 2 No Go decision: Ruwan De Mel
Background Document: GF/PC2/10
- Preparing the Secretariat review of Phase 2
 - Any other matters
- 15h00-15h15 Coffee break
- 15h15 – 16h30 TERG Update: Prof. Rolfe Korte
- CCM Study (completed)
 - Proposals Study (forthcoming)

2nd Portfolio Committee Meeting

Geneva, 24-25 October 2005

Attendance List

(as of 31 October 2005)

	Constituency	Name	Role	Email
1	Western and Central Africa (Chair)	Urbain Clanguena Awono	Chair	olanguena@ccnet.cm
2	Italy (Vice-Chair)	Flavio Lovisolo	Vice-Chair	flavio.lovisolo@esteri.it
3	Canada-Germany-Switzerland	Jacques Martin	Member	jacques.martin@deza.admin.ch
4	Eastern and Southern Africa	Bonnet Mkhweli	Member	mkhwelib@yahoo.com
5	Eastern Europe	Zhanna Tsenilova	Member	tsenilova@moz.gov.ua
6	Latin America & Caribbean	Ernest Massiah	Member	ernestm@adb.org
7	NGO Developing	Rita Arauz Molina	Member	nimehuatzin@cable.net.com.ni
8	NGO Rep. Communities	Francoise Ndayishimiye	Member	fndayishimiye@cnlsburundi.org
9	Private Foundations	Lisa Carty	Member	lisa.carty@gatesfoundation.org
10	Private Sector	Joelle Tanguy	Member	jtanguy@businessfightsaids.org
11	South East Asia	Viroj Tangcharoensathien	Member	viroj@hnp.thaigov.net
12	UNAIDS	Luis Loures	Member	loures@unaids.org
13	Western and Central Africa	Maurice Fezeu	Member	mauricefe@yahoo.fr
14	WHO	Alex Ross	Member	rossa@who.int

	Global Fund Secretariat	Name	Function/ Subject Matter Specialist	Email
15	Chief of Operations	Wm. Bradford Herbert	PC Focal Point	Brad.Herbert@theglobalfund.org
16	Operational Policy Officer	Paula Hacopian	Rapporteur	Paulo.Hacopian@theglobalfund.org
19	Senior Evaluation Officer	Beth Plowman	TERG Update	Beth.Plowman@theglobalfund.org
20	Executive Director	Richard Feachem	Observer	Richard.Feachem@theglobalfund.org
21	Deputy Executive Director	Helen Evans	Observer	Helen.Evans@theglobalfund.org
22	Head, Donor and Board Relations	Dianne Stewart	Observer	Dianne.Stewart@theglobalfund.org

	Others	Name	Role	Email
23	UK-Australia Constituency	Geoff Adlide	Observer	Geoff.Adlide@dfat.gov.au
24	Representative of the Board Vice-Chair	Madeleine Leloup	Observer	leloupm@unaids.org
25	Invited Consultants/Advisors	Rolf Korte	Chair of TERG	Rolf.Korte@hygiene.med.uni-giessen.de