Dear Friends and Colleagues,

- In 2007, the Global Fund has reached some important milestones,
  - the 5th anniversary of its establishment
  - the $10 billion mark in pledges and contributions
  - with $3.5 billion already disbursed.

And all of this has been accomplished in a minimum of time thanks to all of your work and commitment

Now

- the new executive director of the Global Fund started his work just before the 15th Board meeting and
- we are selecting new leadership for the Board to start its work immediately after this Board meeting.
- Carol and I will step down at the end of this Board meeting and after a challenging period for the Global fund and its Board.

- We have tried to serve you all the people who depend on our effective leadership in the countries as best as possible.

- It is in this context I would like to share with you a few thoughts

- This has been indeed a special year for the Global Fund, during which Carol has given an exceptional leadership and I believe I was able to provide support and my specific contribution in a few areas. I believe my special contribution has been in the areas of governance, partnership and resource mobilisation.

- In governance I specially dealt with the selection of a new ED, oversight of the IG’s office and leadership and coordination of the Board committees?

- We selected the new Executive Director, and we now have a new very capable Executive Director (ED) in place to continue and consolidate the incredible work accomplished by Richard and his whole team at the secretariat.

- We still have to finalise the arrangements to set up a more effective office of Inspector General's. I was able to negotiate a transitional arrangement with WHO to ensure oversight during a difficult and
delicate transition phase thanks to the un-valuable assistance of WHO and Ken Lanford. In the next couple of days we will have to make important decisions on the selection procedure of the next Inspector General, which I hope will be concluded overt the summer.

- In the last few months I have actively tried to further improve the coordination and the performance of the Committees. You have a report in front of you, which I will present on Friday, and which already indicates few avenues the Board may want to take in order to make some further progress while recognising that the last two years after the work Brian Brink was leading on already greatly improved the operations of the committees.

- I personally believe that this is an area where the Board can and should make some progress under the leadership of the new Chair and Vice Chair and in strong cooperation of our new Executive Director. As I said, we will discuss few concrete proposals in more detail at a later stage, but I can already anticipate that I would strongly recommend to set up a coordinating body ensuring the oversight of all Board and Committee's work throughout the year. Many of you would agree that new leadership of the Board will need the support and assistance of an Office which can facilitate
dialogue between the Board constituencies and ensure the necessary coordination with the Secretariat;

- Few words on another great challenge of the Global Fund in the years ahead: to mobilise the level of financial resources which are necessary to meet the needs over a longer time frame.

- The European Commission has demonstrated a long-term commitment to the Global Fund through a quite relevant amount of resources which we have succeeded to bring together through different channels. We have succeede to inscribe the resource for the global fund for a period of time from 2007 till 2013. I am proud of the result accomplished there thanks to hard work with the MS and the European Parliament. To make the disbursements possible the European Community requires further support of our Member States and of the ACP countries at the highest possible level. As you know very well, part of the EC funding is provided through the European Development Fund. We need the full support of the Board members representing ACP countries to make this possible.

- Finally I would like to share with you few personal ideas regarding the most important challenges of the Global Fund in the near future:
  - We have to work actively and passionately to strengthen trust and confidence among Board members. In the last year or so, the
level of divisiveness in the Board has regrettably increased and can put at stake – in my view – the credibility and effectiveness of the Fund. I really hope that with the support of the new leadership and Executive Director, the entire Board will be able to re-build again the sense of trust and confidence it prevailed when the Fund was created;

- **We have to engage more deeply** as a Board in fund-raising activities. New measures will be discussed over the next few days as to how to achieve this objective, but this will require the effort of each of us again, I am convinced the new leaders of The Board can play an important role in this respect.

- **Partnership at country level can sometimes be improved.** The Partnership Forum last year - in my view - indicated very clearly that this is an area where the Global Fund needs to make substantive progress. The number of stakeholders at country level has progressively increased and the Global Fund needs to work more closely in collaboration with all its partners. I realise this is not an easy task, but it still represents the key for success of such a great mechanism as the Global Fund. The Partnership Forum we intend to hold in 2008 may represent a great opportunity to advance on this item.
• Before concluding, I would like to thank all those who have provided me with great support and precious advice in the last year. Thanks to Carol as Chair of the Board, thanks to Alice her so friendly assistant, thanks to the Secretariat and in particular the staff who has closely worked with me as Vice Chair – Dianne, Bart, Barry, Helen and many others; thanks to all Board constituencies for providing me with valuable support and advice under difficult circumstances and thanks to the members of my constituency for being supportive throughout my mandate. But a special "thanks" goes to Enrico who has provided me with continuous support in my tasks as Vice-Chair and as Board Member. Without his assistance and support, my job as Vice Chair would not have been possible.