REPORT OF THE POLICY AND STRATEGY COMMITTEE

Outline: This report covers the 14-16 March 2007 deliberations and recommendations of the Policy and Strategy Committee (PSC). Discussions focused on the Global Fund's strategy development effort, policy issues related to the Rolling Continuation Channel (RCC) and the confidentiality of recordings of executive sessions, and also on updates on UNITAID, the Technical Evaluation Reference Group (TERG), and the Partnership Forum Steering Committee.

Note: This report is the version as amended at the Fifteenth Board Meeting.

Summary of Decision Points:

Decision points related to strategy development:

Resource mobilization:
1. Adoption of the Resource Mobilization Strategy (Annex 2, Page 20)

Health-systems strengthening:

Alignment and harmonization – programmatic funding:
4. Use of Existing Flexibilities, and Flexibility in the Timing of Phase-2 Reviews (Annex 2, Page 22)

Funding the right things:
5. Reporting on the Status of the Portfolio (Annex 2, Page 22)

Civil society and the private sector:

Market dynamics – pooled procurement:

Decision point related to UNITAID:

Decision points related to policy issues for the Rolling Continuation Channel:
11. Amendment to Section 12 of the Board Operating Procedures (Annex 2, Page 27)

Decision point related to the confidentiality of recordings of executive sessions:
13. Confidentiality of Recordings of Executive Sessions (Annex 2, Page 27)

Decision point related to the Technical Evaluation Reference Group:
14. TERG Membership Rotation Procedure (Annex 2, Page 27)
Part 1: Introduction

1. The Policy and Strategy Committee (PSC) met in Geneva on 14-16 March 2007 for its 7th meeting. The Chair was Dr. William Steiger (USA); the Vice Chair, Mr. Jairo Pedraza (Developed Country NGOs), was unable to attend. The agenda and list of participants for this meeting are included in Annex 1.

2. This report contains the following sections:
   - Part 2: Recommended strategic direction for the Global Fund on remaining strategic issues;
   - Part 3: Update on strategic issue of Global Fund size;
   - Part 4: Update on UNITAID collaboration;
   - Part 5: Update on policy issues for the Rolling Continuation Channel;
   - Part 6: Confidentiality of recordings of executive sessions;
   - Part 7: Update on Partnership Forum Steering Committee; and

Part 2: Recommended Strategic Direction for the Global Fund on Remaining Strategic Issues

Purpose and structure of this section

1. Purpose of this section:
   i. This section of the report presents, for Board consideration and decision, the PSC’s strategic recommendations on the issues for which the PSC has completed its strategic deliberations since its last report: resource mobilization, health-systems strengthening, alignment and harmonization (programmatic funding), funding the right things, civil society and the private sector, and market dynamics/pooled procurement.
   ii. The PSC has agreed to bring its recommendations on the strategy to the Board, and seek decisions on them, in two installments. This section serves as the second and final installment of the recommended strategy of the Global Fund, for Board discussion and decision at its Fifteenth Meeting. (The PSC presented the first installment at the Fourteenth Board Meeting in November 2006.)

2. Action requested from the Board: The PSC requests the Board to consider the PSC-recommended strategic directions set out in this section and endorse the related decision points.

3. Structure of this section: This section contains the following sub-sections:
   i. Introduction;
   ii. Resource mobilization;
   iii. Health-systems strengthening;
   iv. Alignment and harmonization – programmatic funding;
   v. Funding the right things;
   vi. Civil society and the private sector; and

1 Report of the Policy and Strategy Committee (GF/B14/7).
Introduction

4. Review of strategy process:
   i. In endorsing the Corporate Key Performance Indicators\textsuperscript{2} at its Ninth Board Meeting, the Global Fund Board recommended the development of a strategy to provide a forward direction for the Global Fund. The Global Fund is now engaged in its first strategy-development process.
   ii. The strategy-development effort is a Board-driven process, and the PSC has the responsibility for leading the work, as reflected in its Terms of Reference.
   iii. To date, the strategy development effort has proceeded through the following distinct stages:
      (a) **Definition of strategy scope and focus:**
         - In this stage, the PSC set out the approach to strategy development and devised a framework of strategic themes and corresponding strategic questions, which the Board subsequently endorsed at its Eleventh Meeting.\textsuperscript{3}
         - This stage took place during the period of July to September 2005, comprising the 1\textsuperscript{st} and 2\textsuperscript{nd} PSC meetings.
      (b) **Situation assessment and prioritization:**
         - In this stage, the PSC developed the framework of prioritized issues and the guidelines for option development. It also requested the Secretariat to prepare situation-assessment background papers on each strategic issue. The Board endorsed this work at its Twelfth Meeting.\textsuperscript{4}
         - This stage took place during the period of September to December 2005, comprising the 3\textsuperscript{rd} PSC meeting.
      (c) **Option development and recommendation:**
         - In this stage, the PSC considered and recommended strategic options corresponding to various strategic issues in the framework of prioritized issues.
           - The PSC organized and considered the issues over time in four batches.\textsuperscript{5}
           - The Secretariat conducted research, held internal discussions and developed options for each issue, which it codified into a series of options papers it provided as an input to the PSC’s deliberations.\textsuperscript{6}
           - Another input was the recommendations of the Second Partnership Forum held in July 2006, which devoted a full day to discussing the strategic issues.
         - This stage started in December 2005, and will conclude at the Fifteenth Board Meeting in April 2007. The PSC focused its 4\textsuperscript{th} through 7\textsuperscript{th} meetings on discussing strategic options for the various strategic issues.
   iv. The next steps are as follows:
      (a) At the Fifteenth Board Meeting, the Board will consider and make decisions on the PSC’s recommendations on the strategic issues contained in this report; and
      (b) Based on these decisions and those made on the strategy at the Fourteenth Board Meeting, the Secretariat, in consultation with the PSC, will develop a document for publication and external distribution that summarizes the overall strategic direction for the Global Fund endorsed by the Board. It expects this document to be ready for distribution by 24 August 2007.

\textsuperscript{2} The Secretariat has renamed “Corporate Key Performance Indicators” what was previously referred to as the “Executive Director’s Key Performance Indicators,” in recognition that they are performance indicators for the entire Secretariat. This does not in any way diminish the Executive Director being held accountable for their achievement.
\textsuperscript{3} For further detail, see Global Fund, “Report of the Policy and Strategy Committee.” (GF/B11/7).
\textsuperscript{4} For further detail, see Global Fund, “Report of the Policy and Strategy Committee.” (GF/B12/5).
\textsuperscript{5} The sequencing of issues into the batches reflected the logical hierarchy of issues (as per the framework of prioritized issues), their differing levels of urgency and the differing lead times necessary for the Secretariat to conduct preparatory work to inform PSC deliberations on each issue. In addition, a number of issues required revisiting in subsequent batches to complete the PSC’s deliberations.
\textsuperscript{6} For examples of the options papers, see Attachments 1-4 to document GF/B13/7.
5. Current status of PSC deliberations on the various strategic issues:
   
i. The Board has already made decisions on the PSC’s recommendations as to the appropriate strategic orientations for the Global Fund on the following strategic issues:
   (a) Beyond Phase 2;
   (b) Alignment and harmonization (except for programmatic funding);
   (c) Grant performance;
   (d) Market dynamics (objective and guiding principles); and
   (e) Impact and accountability.

ii. The PSC asks the Board to consider its recommendations for the remaining strategic issues, as laid out in the remainder of Part 2 of this document, and endorse the associated decision points. Those issues are as follows:
   (a) Resource mobilization;
   (b) Health-systems strengthening;
   (c) Alignment and harmonization – programmatic funding;
   (d) Funding the right things;
   (e) Civil society and the private sector; and
   (f) Market dynamics – pooled procurement.

iii. The PSC has not at this stage developed a recommendation on the strategic issue of Global Fund size. Part 3 below provides a brief status update on this issue.

6. Approach to each strategic issue: The remainder of Part 2 of this document details the PSC’s recommendations for the remaining strategic issues on which it has completed its deliberations. Each strategic issue in this section contains the following elements:
   
i. Core strategic objective – describes what the Global Fund aims to achieve through its strategy for the specific issue area;
   
ii. PSC-recommended strategic approach – presents a high-level description of the key strategic orientations recommended by the PSC; and
   
iii. Key strategic priorities – sets out the priority actions for the Secretariat and Board to implement the PSC-recommended approach over time.

Resource mobilization

7. Core strategic objective for resource mobilization: To accomplish the following:
   
i. Raise a sufficient, year-to-year level of resources;
   
ii. Build and maintain the medium- and long-term sustainability and predictability of resource inflows;
   
iii. Optimize the level of additionality of overall resources raised;
   
iv. Expand current sources, and tap into promising new sources of funding;
   
v. Ensure broad political representation and buy-in through the recruitment of new donors; and
   
vi. Optimize the efficiency of the resource mobilization efforts of the Global Fund Board and Secretariat.

8. PSC-recommended strategic approach to resource mobilization: To achieve the core strategic objective, the PSC recommends the following actions for each primary income source, based on recommendations from the Task Team on Resource Mobilization (The full Resource Mobilization Strategy appears in Annex 3).
   
i. Public Donors:
      (a) Continue the Voluntary Replenishment process, and increase the predictability of funding by encouraging multi-year pledges to the Global Fund;
      (b) Encourage the engagement of the Board to steward constituencies for resource mobilization;
      (c) Continue mobilization efforts with key donors via bilateral and multilateral fora, by highlighting the need for long-term sustainability and the effectiveness of investing increasing Official Development Assistance (ODA) in the Global Fund; and
(d) Refine and expand resource-mobilization efforts with targeted, current and potential new donors.

ii. **Investment Returns:**
(a) Explore options to optimize investment returns on cash contributions held within an investment policy consistent with the best practices of publicly-funded institutions.

iii. **Private Sector:**
(a) Strengthen the Global Fund’s position as a strategic partner for private foundations, by ensuring their continued, full support;
(b) Support the growth of (PRODUCT)RED and other consumer-focused fundraising initiatives;
(c) Further develop and grow an integrated partnership platform – the Global Fund Corporate Champions Program – to mobilize broad based support including cash contributions from corporations;
(d) Mobilize the support of high-net worth and other influential individuals through major gifts and engagement in advocacy; and
(e) Cultivate policies, processes and attitudes at all levels of the Global Fund architecture to support the full engagement of the private sector.

iv. **Innovative Financing Mechanisms:**
(a) Maximize the opportunities presented by UNITAID, in close collaboration with the Board and Secretariat of UNITAID, its donor countries and civil society. The Board should adopt a strategic plan for a long-term partnership with UNITAID, by exploring the synergies between the organizations; and
(b) Engage the Board in a broader advocacy role to promote collaboration with and further development of opportunities in innovative finance, particularly within the Global Fund Debt-Conversion initiative.

9. **Key strategic priorities for resource mobilization:**
   i. Develop a process that aims to achieve concrete expressions of demand of a larger scale and higher quality, based on national ownership, plans and leadership involving each of the Global Fund’s stakeholders;
   ii. Ensure the development of the appropriate staff capacity at the Secretariat to support the strategic approach for each income source and demand; and
   iii. Work as appropriate with the Board and partners to implement the resource mobilization strategy.

   **Decision Point 1 – Adoption of the Resource Mobilization Strategy**
   [See Annex 2 for the full text of this decision point]

**Health-systems strengthening**

10. **Core strategic objective for health-systems strengthening:** To determine the appropriate strategic approach for the Global Fund to continue to support the strengthening of public and private health systems as a way to help accomplish the Global Fund’s mission to mitigate the impact of HIV/AIDS, tuberculosis and malaria in countries in need.

11. **PSC-recommended strategic approach to health-systems strengthening:** To achieve the core strategic objective described above, the PSC recommends the following two-pronged approach:
   i. For the Global Fund to continue to support the strengthening of public and private health systems, by **investing in activities to help health systems overcome constraints to the achievement of improved outcomes in reducing the burden of HIV/AIDS, tuberculosis and malaria**; and
   ii. For the Board to **determine the specific funding approach to achieve the above** at its Sixteenth Board Meeting, based on further work.7

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7 The PSC discussed options for a specific funding approach, but did not reach a recommendation on this point.
12. **Key strategic priorities for health-systems strengthening:**
   i. Determine at the Sixteenth Board Meeting:
      (a) Whether – within the scope of investing in activities to help health systems overcome constraints to the achievement of improved outcomes in reducing the burden of HIV/AIDS, tuberculosis and malaria – to continue to fund health-systems strengthening (HSS) interventions exclusively within disease components or, in addition, to establish a separate HSS component for proposals to the Global Fund; and
      (b) The possible use and nature of funding parameters for the Global Fund’s support of HSS (including parameters for allowable HSS activities, conditionality for applying for HSS funding, and ceilings for HSS funding);
   ii. Implement the above Board decisions, as relevant, in time for Round 8; and
   iii. Monitor over time and make any adjustments if and as necessary.

**Decision Point 2 – Global Fund Strategic Approach to Health-Systems Strengthening**

[See Annex 2 for the full text of this decision point]

**Alignment and harmonization – programmatic funding**

13. **Core strategic objective of Global Fund alignment and harmonization:** Consistent with the principles of the Global Fund outlined in the Framework Document, to make policy and architectural changes to the Global Fund’s business and financing model to allow it, over time, to better align with national efforts and harmonize with international partners, as a means to achieving increased impact from Global Fund resources. These changes should aim to do the following:
   i. Further the Global Fund principles of complementarity, coordination, additionality, country ownership, low transaction costs, multisectoral partnerships, performance, and emphasis on results;
   ii. Take into account the wide range of country settings in which the Global Fund finances grants; and
   iii. Help fulfill existing Global Fund commitments to ongoing global initiatives focused on alignment and harmonization (e.g., the Global Task Team on Improving AIDS Coordination among Multilateral Institutions and International Donors, the Organization for Economic Cooperation and Development’s Development Assistance Committee (OECD-DAC) Paris Declaration on Aid Effectiveness).

14. **PSC-recommended strategic approach to Global Fund alignment and harmonization – programmatic funding:** The PSC recommends that the Global Fund pursue the following strategic orientations in order to achieve the core strategic objective described above, and in particular provide better support for country programs:
   i. **Enable streamlined applications to the Global Fund based on certified national strategies:**
      (a) The PSC recommends that the Global Fund accept requests for funding consisting of an existing national strategy for HIV/AIDS, tuberculosis or malaria that has been technically certified by an independent review mechanism, together with minimal additional information. The independent review mechanism should, to the extent possible, build upon, one or more existing initiative(s), while meeting certain minimum conditions that are critical for the Global Fund. It should also make use of accepted, rigorous criteria in performing the technical certification.

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8 Alignment is defined as “donors basing their overall support on countries’ national development strategies, institutions, and procedures;” and harmonization is defined as “external actors using common approaches to aid delivery and behaving more predictably and transparently in order to be more collectively effective.” OECD-DAC. “Preparation Report for the Paris High-Level Forum” and “Paris Declaration on Aid Effectiveness.” (2005)
(b) More specifically, this approach will follow the following principles:

- Such applications must be based on inclusive, costed, comprehensive and prioritized national strategies (which include a workplan and budget) that have undergone a rigorous technical certification by an independent review mechanism (IRM);
- Such applications must contain the certified national strategy and minimal additional information, which should include a specification of financial contributions to the national strategy received from existing sources, the amount of funding requested from the Global Fund, and the results to which this funding is expected to contribute;
- The IRM that certifies national strategies must meet certain conditions – to be defined and endorsed by the Board at a later stage – such as appropriate technical expertise and the capacity to carry out certifications functions rapidly, efficiently and transparently;
- The IRM should assess the technical soundness and feasibility of national strategies based on rigorous criteria that will be developed jointly with relevant partners, so the outcome of the certification is useful beyond the Global Fund’s own specific needs. The Global Fund will contribute to the development of the criteria the standards the Board requires for the certification to fulfill the Global Fund’s core principles, including but not limited to programmatic and financial accountability; and
- The implementation of this approach should be consistent with the core principles of the Global Fund, including performance-based funding, financial and programmatic accountability, and additionality.

(c) The PSC discussed the possibility of more frequent funding decisions\(^9\) for such applications, which it believes could provide benefits in terms of alignment and harmonization. It also supported not having ceilings for the funding awarded in this way, with the understanding that the Global Fund would contribute to a plan financed by a wider set of funders (domestic and international) and that its contribution would be clearly identified and additional.

i. **Encourage the Secretariat, Country Coordinating Mechanisms (CCMs) and Principal Recipients (PRs) to communicate and fully exercise existing flexibilities\(^{10}\) in the policy framework of the Global Fund to enable increased alignment and harmonization.**

   - **Enable more flexible timing for the Phase 2 review process:**
     - The PSC recommends that the Board allow, in principle, CCMs to request greater flexibility in the timing of, and the performance period covered by, the Phase-2 review for grants to operate in alignment with the implementation of national programs, where relevant and appropriate.
     - In addition:
       - The specific conditions and timing parameters for this would be defined and agreed by the Board later;
       - The current criteria and requirements for the Phase 2 review would apply; and
       - The Board would vote on any requests for bridge funding in cases in which such funding would be necessary to avoid interruption of program activities prior to the beginning of Phase 2.

15. **Key strategic priorities for Global Fund alignment and harmonization – programmatic funding:**

   i. **Enable streamlined applications to the Global Fund based on certified national strategies:**
     - PSC to recommend to the Board for approval at its Sixteenth Meeting a plan and policies for bringing into operation this approach to applications, based on the principles above. (These recommendations should also address the role of CCMs and the Technical Review Panel (TRP), the inclusion of non-governmental entities in this applications process, and the possibility of more frequent funding decisions for such applications);
     - In the spirit of the underlying principles of the Global Task Team and the Paris Declaration, Global Fund Board to call upon all partners to develop a shared certification approach for

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\(^9\) This possibility could allow countries to submit when ready and takes into account that the external certification process is likely to be conducted throughout the year.

\(^{10}\) Examples of such flexibilities include the following: Grant start dates and disbursement frequencies can be adjusted, for example, to coincide with national planning and budget cycles; CCMs are encouraged to build on existing progress updates and reviews of the PR in submitting their Request for Continued Funding for Phase 2; etc.
national strategies and to allow, if appropriate the use of certified strategies as the basis for applications for funding; and
(c) Following Board decision at the Sixteenth Meeting, implement the agreed approach.

ii. **Encourage the Secretariat, CCMs and PRs to communicate and fully exercise existing flexibilities:**
(a) Communicate, and encourage others (e.g., technical partners) to communicate, the existence of, and access to, such flexibilities; and
(b) Further refine internal, operational guidance on use of flexibilities.

iii. **Enable more flexible timing for the Phase 2 review process:**
(a) Develop specific conditions and timing parameters for this more flexible approach, for decision at the Sixteenth Board Meeting;
(b) Following Board decision, implement and widely communicate the agreed approach; and
(c) Monitor use and functioning over time, and make any adjustments if and as necessary.

*Decision Point 3 – Modified Application Process for Supporting Country Programs*
[See Annex 2 for the full text of this decision point]

*Decision Point 4 – Use of Existing Flexibilities, and Flexibility in the Timing of Phase-2 Reviews*
[See Annex 2 for the full text of this decision point]

**Funding the right things**

16. **Core strategic objective for funding the right things:** To monitor the status of the Global Fund’s portfolio on an ongoing basis.

17. **PSC-recommended strategic approach for funding the right things:** To achieve the strategic objective above, the PSC recommends that the Secretariat *provide an analysis of the Global Fund’s grant portfolio at the Board’s first meeting of each calendar year*, as part of the Secretariat’s yearly reporting to the Board on the core set of Performance Indicators for the Global Fund. The analysis should incorporate, for example, as feasible and available through recipient country systems, elements such as value for money of Global Fund-financed interventions, the quality of treatment, prevention and care interventions provided through Global Fund-supported programs, the balance of interventions within each disease, the integration of relevant scientific innovations, and gender.

18. **Key strategic priorities for funding the right things:**
   i. Further strengthen the Secretariat’s systems for tracking and analyzing key dimensions of its portfolio in collaboration with national and international partners, and within the principles of harmonization and alignment; and
   ii. Develop regular reports on the status of the portfolio at the best level that it is practical to produce, improving this over time as systems are improved and data becomes available.

*Decision Point 5 – Reporting on Status of the Portfolio*
[See Annex 2 for the full text of this decision point]

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11 Decision Point GF/B14/DP16.
12 The budgetary implications of this decision are estimated to be US$ 117,000 in 2007 and US$ 583,000 in 2008. This includes an allocation for 1.5 positions in 2007, and 2 positions in 2008 (The 2008 figure additionally includes a special study of a sample of programs to assess the requested elements).
Civil society and the private sector

19. **Core strategic objective for civil society and the private sector:** To further enable the strengthened and scaled-up involvement of civil society and the private sector at both the country and Board levels, and within every step of the processes of the Global Fund.

20. **PSC-recommended strategic approach for civil society and the private sector:** The PSC recommends the following strategic orientations to achieve the core strategic objective described above:
   
i. **Encourage the routine inclusion, in proposals for Global Fund financing, of both government and non-government PRs** for Global Fund grants (“dual-track financing”), with an explanation to be provided if this is not done.
   
   (a) The expected benefits of dual-track financing include the following:\(^{13}\)
   
   · Increased absorption capacity (from taking full advantage of the implementation capacity of all domestic sectors, both governmental and non-governmental);
   
   · Accelerated implementation and performance of grants; and
   
   · The strengthening of weaker sectors.
   
   (b) CCMs, PRs and the Secretariat should implement dual-track financing according to the following principles:
   
   · The implementation should be consistent with alignment and harmonization of efforts to fight the three diseases;
   
   · It should be consistent with national strategies to fight the three diseases, or there should be a justification stated when this is not the case;
   
   · It should seek to minimize transaction costs and demands on CCMs, PRs and the Secretariat; and
   
   · It should apply equally the same expectations of accountability, transparency and responsibility to government and non-government PRs.
   
   ii. **Encourage the routine inclusion, in proposals for Global Fund financing, of requests for funding relevant measures to strengthen the community systems** necessary for the effective implementation of Global Fund grants;
   
   iii. **Enable the effective representation and meaningful participation of vulnerable groups** (as defined in the context of each particular country) on CCMs; and
   
   iv. **Simplify CCM access to funding to support their effective administrative functioning,** for the life of a grant when needed, and increased transparency by CCMs about how they plan to ensure access by civil society to such funding.

21. **Key strategic priorities for civil society and the private sector:**\(^{14}\)
   
i. Agree on a suitable definition of the term “civil society”;  
   
   ii. Develop and implement actions, collaborating with partners as necessary, to achieve the strategic orientations outlined above; and
   
   iii. Monitor effectiveness of these actions over time, and make any adjustments if and as necessary.

**Decision Point 6 – Strengthening the Role of Civil Society and the Private Sector in the Global Fund’s Work**

[See Annex 2 for the full text of this decision point]

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\(^{13}\) The Secretariat will consult with the Finance and Audit Committee to further analyze and refine its estimates of budgetary implications of this recommendation.

\(^{14}\) In addition, the PSC recommends two operational measures, specifically: increasing the capacity of the TRP in the area of civil society and the private sector, and developing guidance to CCMs regarding types of civil-society and private-sector representatives that could be most relevant to the work of CCM.
Market dynamics – pooled procurement

22. Core strategic objective of market dynamics: To ensure Global Fund resources are used most efficiently, and to enable Global Fund recipients to gain access to improved market conditions for the procurement of essential health products with Global Fund resources; specifically, to enable them to gain access to a sustainable supply of affordable and quality-assured essential health products related to the prevention, treatment and care of HIV/AIDS, tuberculosis and malaria.

23. Recommended strategic approach to market dynamics:
   i. The PSC recommends that the Board adopt the Objective above and the following principles for market dynamics, to guide the Global Fund’s deliberate and strategic role in market dynamics, which the Board endorsed at its Fourteenth Board Meeting.\(^{15}\)

   Guiding Principles for the Global Fund’s Market Dynamics Strategy:
   i. The Global Fund will pursue a focused strategy that targets the highest-potential opportunities;
   ii. The Global Fund will select a range of approaches
      (a) that are compatible with the Global Fund’s core principles, as embodied in its Framework Document;
      (b) to which the Global Fund is uniquely positioned to contribute effectively, based on the unique assets that comprise its comparative advantage (e.g., its privileged relationships with recipients, its aggregate financing power for essential products);
      (c) that respect the importance of innovation, competition and the critical role of manufacturers of quality-assured products (from both developing- and developed-countries) for the achievement of long-term, sustainable markets for essential health products that can benefit developing countries;
      (d) that 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.\(^{16}\) The Global Fund encourages recipients to apply national laws and applicable international obligations in the field of intellectual property including the flexibilities provided in the TRIPS agreement and interpreted in the Doha declaration in a manner that achieves the lowest possible price for products of assured quality;\(^{17}\) and
      (e) that involve country stakeholders at all relevant stages to ensure national ownership to increase the sustainability of procurement and supply systems.
   iii. In implementing these approaches, the Global Fund will
      (a) select the Global Fund’s specific role within each overall approach, by taking into account its core principles and comparative advantage, and making optimal use – as relevant and appropriate – of partners, third-party initiatives and outsourcing to perform the required complementary roles;
      (b) ensure consistency with all relevant Global Fund policies (particularly the policies on Procurement and Supply Management and the Quality-Assurance Policy);
      (c) make available to all recipients the resulting positive market outcomes (to the extent applicable); and
      (d) continue to support the development of the capacity of governments and non-governmental organizations to conduct procurement effectively, efficiently and in compliance with Global Fund policies (e.g., through funding technical assistance for

\(^{15}\) Decision Point GF/B14/DP15. In that decision, the Board endorsed the recommendation that the Global Fund assume a deliberate and strategic role in market dynamics, and noted the draft version of the objective and guiding principles for developing the Global Fund’s market dynamics strategy. The PSC now requests the Board to adopt them in the above form.

\(^{16}\) The text in this sentence is a direct excerpt from the Framework Document.

\(^{17}\) The text in this sentence in parentheses is a direct excerpt from the Report of the Third Board Meeting (Agenda Item 10).
ii. The PSC recommends that the Board endorse the following strategic model for voluntary pooled procurement, as a first element of its strategy on market dynamics, while noting that the Board may add new elements to this strategy over time:

(a) Rapidly strengthen the existing Price Reporting Mechanism (PRM), with the objective of enhancing the completeness and quality of self-reported data as an essential foundation of sound market dynamics and procurement practices. In particular:
- Strictly enforce compliance with the existing requirement that recipients report procurement information for the relevant health products; and
- Subject the data reported in the PRM to periodic audit by an external agent with appropriate qualifications.

(b) Establish a voluntary pooled-purchasing service with the following characteristics:
- The pooled-purchasing service will cover a set of target products and be operated by one or more global or regional procurement agent(s), which the Secretariat will select following a transparent, competitive tender process;
- All PRs will be able to procure through the pooled-purchasing service on a voluntary basis; the exception will be United Nations agencies serving as PRs, and PRs that have demonstrated inadequate capacity to procure effectively, which the Secretariat, if appropriate, may require to procure through the pooled-purchasing service;
- For all participating PRs, funds for the purchases will flow directly to the suppliers (via the procurement agent(s)) from the Trustee account, and the procurement agent(s) will enter the relevant, required transaction information in the PRM.

(c) Make available, via contracted third-party providers, procurement capacity-building services and supply-chain-management assistance on an optional basis for all PRs participating in the pooled-purchasing mechanism.

24. Key strategic priorities for market dynamics – pooled procurement:

i. Strengthen the PRM:
- Diagnose the current PRM and determine needs/requirements;
- Upgrade the system (software and hardware) to simplify user interface and improve data management;
- Select external agent for periodic audit process;
- Step up enforcement efforts to ensure reporting compliance; and
- Report on progress at the Sixteenth Board Meeting (including an analysis of the status of the current PRM and specific measures taken to improve compliance with reporting requirements and the data reliability of the PRM).

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18 The Framework Document states that the Global 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…”

19 For a full description of the model, and an analysis of its benefits, costs and implications, and mitigation of potential concerns and risks, see Global Fund, “Market Dynamics: Voluntary Pooled Procurement” (GF/PSC7/03), as well as Supply Chain Management System, “Voluntary Pooled Procurement – A Study Conducted on Behalf of the Global Fund to Fight AIDS, Tuberculosis, and Malaria” (GF/PSC7/3 – Attachment 1).

20 The budgetary implications of this decision are estimated to be US$1.13 million in 2007 and US$1.33 million in 2008, both of which include an allocation for five positions.

21 This pooled-purchasing service will include the functions of demand aggregation; competitive, transparent, international tendering and negotiation with suppliers; order-taking and -processing; shipping to in-country central warehouses; and transfer of funds to suppliers.

22 In addition, the Secretariat will direct the procurement agent(s) to seek to award contracts for a given product to several suppliers, where possible and appropriate in view of considerations of market dynamics.

23 For an explanation of this recommendation, see document “Market Dynamics: Voluntary Pooled Procurement” (GF/PSC7/03), Part 5, Paragraph 3iii, and the related footnotes.

24 In addition, to further support the development of the national capacity to conduct procurement effectively and efficiently, the Secretariat will make available these services to other relevant entities in those countries with Global Fund grants whose PR procures through the pooled-purchasing service (at their own cost).
ii. Establish a voluntary pooled-purchasing service:
   (a) Conduct further analysis to determine a prioritized list of suitable initial target product categories;
   (b) Perform detailed implementation planning;
   (c) Implement the model using a phased approach focusing on a small number of initial target product categories; and
   (d) Refine the operational implementation of the model over time, and report back on possible strategic refinements/revisions to the model (including the possible use of price ceilings and other incentives) that might prove helpful to better achieving the Objective in conformity with the Guiding Principles.

iii. Make available procurement capacity-building services and supply-chain-management assistance:
   (a) Determine needs/requirements;
   (b) Select and contract appropriate providers;
   (c) Communicate availability of services; and
   (d) Monitor providers.

Decision Point 7 – Market Dynamics and Voluntary Pooled Procurement
[See Annex 2 for the full text of this decision point]

Part 3: Update on Strategic Issue of Global Fund Size

1. The strategic issue of the most appropriate size of the Global Fund has been an ongoing discussion in the PSC. At the Fourteenth Board Meeting, the Board requested the Resource Mobilization Task Team to develop a strategy to achieve the following annual target funding levels:
   i. US$ 4-6 billion per year by 2010; and
   ii. US$ 8-10 billion per year by 2010.

2. The Resource Mobilization Task Team, in their report, concluded that:
   "...the size options are not particularly helpful in determining resource mobilization targets or dictating a resource mobilization strategy. The task team believes developing concrete expressions of demand based on national priorities, plans and budgets and derived through a more collaborative process involving the Fund’s critical stakeholders—donors, civil society, technical agencies, and the private sector—represents a more promising evidence-based method for increasing resources and establishing targets."

3. At its 7th meeting, the PSC continued its discussion on an appropriate size for the Global Fund without reaching conclusion and agreed to continue its efforts to find a compromise acceptable to all members in advance of the Fifteenth Board Meeting.

Part 4: Update on UNITAID Collaboration

1. At the Fourteenth Board Meeting, the Board approved three UNITAID-Global Fund initiatives: a UNITAID contribution to Round 6 and two scale-up initiatives (scale-up of existing Global Fund malaria and tuberculosis programs through the provision of UNITAID-funded artemisinin-combination therapies [ACT], and medicines to fight multi-drug-resistant tuberculosis [MDR-TB]). The Board requested the PSC and the Secretariat to report back on the implementation of the scale-up initiatives at the Fifteenth Board Meeting. In addition, the Board requested the PSC to work with the Secretariat and the Finance and Audit Committee (FAC) to develop a strategic framework or “roadmap” for future collaboration with UNITAID, and present it for approval to the Board at its Fifteenth Meeting.
2. Round 6: The Global Fund Board accepted a US$ 52.5 million contribution from the UNITAID Board for the financing of Round 6.²⁵ The Global Fund Secretariat and the UNITAID Secretariat have since engaged in discussions regarding the implementation of UNITAID funding for Round 6, as the basis for a Memorandum of Understanding (MoU), including how to support the UNITAID Board’s objective of lowering prices and spurring innovation within existing Global Fund policies and procedures. This MoU is expected to be signed by the end of May 2007.

3. Scale-up initiatives: In approving the scale-up initiatives,²⁶ the Global Fund Board delegated responsibility to the Secretariat to select potential grants and to invite participation and calculations of scale-up need. On the basis of country estimates of achievable scaled-up treatment targets and a cost conversion by the chosen procurement agent,²⁷ the Global Fund Secretariat submitted total estimates, approved by UNITAID, to finance treatments for the remainder of the grant term. The Global Fund Secretariat recently received Board approval (via email)²⁸ to continue with the concluding stages of implementation, including the finalization of an MoU between all partners for each initiative. In negotiating MoUs for implementing scale-up and Round 6, the Global Fund Secretariat has emphasized the need for compliance with current Global Fund Board policies and procedures.

4. Roadmap: While discussions to develop the roadmap for future collaboration between Global Fund and UNITAID are ongoing, various factors (including capacity constraints and leadership transition in both Secretariats) have led the PSC and the Global Fund Secretariat to conclude that the development of the roadmap requires more time than previously envisioned. The PSC recognizes that this important piece of work would benefit from an extended timeline for completion and a strategic engagement from both the UNITAID and the Global Fund Boards. Consequently, the PSC, together with the FAC, is in the process of establishing a subgroup²⁹ to oversee and guide ongoing strategic discussions with UNITAID between May and September 2007, and will draft a document for presentation at the Sixteenth Board Meeting. The PSC recommends to the Board that it instead request the PSC to present the roadmap at the Sixteenth Board Meeting.

**Decision Point 8 – Development of a Roadmap for Future Collaboration with UNITAID**

[See Annex 2 for the full text of this decision point]

Part 5: Update on Policy Issues for the Rolling Continuation Channel

1. The Secretariat presented an update on the implementation to date of the Rolling Continuation Channel (RCC), including two areas for PSC consideration and Board decision – the duration of grants eligible for the RCC and the Board decision-making procedure for the RCC.

2. Duration of grants eligible for the RCC: Due to the inherent difficulties in assessing RCC qualification for grants of less than five years duration, and the proportionately high number of 3- and 4-year grants from Rounds 1-3, the PSC recommends that grants with a term of less than five years from Round 4 and onwards be ineligible to qualify for the RCC. It also recommends that the Board and Secretariat communicate in a timely manner with CCMs regarding this policy, to enable them to plan for other funding opportunities, as relevant.

3. Board decision-making procedure for the RCC:

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²⁵ Decision Point GF/B14/DP19.
²⁶ Decision Points GF GF/B14/DP21 and GF/B14/DP22.
²⁷ For ACT scale-up, the procurement agent will be UNICEF and for MDR-TB scale-up the procurement agent will be GLC/GDF. In approving the scale-up initiatives the Board recognized, on an exceptional basis, the above selection of procurement agent by UNITAID without a competitive process.
²⁸ Decision Points approved by email vote on 16 March 2007.
²⁹ The subgroup will include a representative from the FAC.
i. The PSC recommends a Board decision-making procedure, whereby the Secretariat would provide the Board with the TRP’s recommendations via email on a quarterly basis, on which the Board would vote by email on a “no-objection” basis.30

ii. The PSC also recommends that the Board task the PC to develop a decision-making procedure for funding beyond the initial RCC financing commitment (i.e. for the “second phase” of RCC funding) by the Seventeenth Board Meeting.

*Decision Point 9 – Duration of Grants Eligible for Qualification for the Rolling Continuation Channel*
[See Annex 2 for the full text of this decision point]

*Decision Point 10 – Board Decision-Making Procedure for the Rolling Continuation Channel*
[See Annex 2 for the full text of this decision point]

*Decision Point 11 – Amendment to Section 12 of the Board Operating Procedures*
[See Annex 2 for the full text of this decision point]

*Decision Point 12 – Development of a Decision-Making Procedure for Funding Beyond the Initial Financial Commitment of Approved Rolling-Continuation-Channel Proposals*
[See Annex 2 for the full text of this decision point]

### Part 6: Confidentiality of Recordings of Executive Sessions

1. The PSC noted the following decision from the Fourteenth Board meeting:

*Decision Point GF/B14/DP37:*

The Global Fund Board directs the Secretariat to draft a policy for the Global Fund Board and Secretariat concerning the maintenance of confidentiality of any recordings of Executive Sessions of the Global Fund Board, and the circumstances, policies and procedures under which any individual may receive access to these recordings. The Board requests the Secretariat to present such draft policy in time for consideration of the next meeting of the Policy and Strategy Committee (PSC), and requests the PSC to present its recommendation for a policy on the "Confidentiality of Recordings of the Executive Sessions of the Board" for approval by the Board at the April 2007 Board Meeting.

2. The Secretariat presented a number of policy options to address this request. The PSC agreed that the default position should be that Executive Sessions are recorded, with the Board having the latitude to decide not to record particular sessions on a case-by-case basis. It asked the Secretariat to present a policy (or an amendment to the existing Global Fund Documents Policy, as relevant) reflecting this recommendation and specifying the process for storing and providing access to the recordings to the Fifteenth Board Meeting.

3. The PSC noted with concern the fact that confidential discussions in Executive Sessions have not been respected in the past by participants and suggested that the Board be reminded of their ethical responsibilities in this regard.

4. The PSC recommends the following decision point, which proposes to approve the amendments to the Documents Policy attached as Annex 4.

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30 This requires a change to the Board Operating Procedures to clarify the availability of “no-objection” voting beyond the Phase 2 context.
Part 7: Update on Partnership Forum Steering Committee (PFSC)

1. At the Fourteenth Board meeting the Board took a decision on the Third Partnership Forum, which stated:

   **Decision Point GF/B14/DP8:**
   1. The Board takes note of the “Partnership Forum 2006 Report” (GF/B14/14) and agrees to use the recommendations contained therein to inform ongoing strategic planning and management of the Global Fund.
   2. The Board agrees to hold the Third Partnership Forum in 2008 and mandates the Policy and Strategy Committee to convene a Partnership Forum Steering Committee to start planning for this event early in 2007.
   3. The format and duration of the Third Partnership Forum should build on the lessons learned from previous Partnership Fora.
   4. The Board approves a budget of US$ 1,200,000 as an upper limit for the Third Partnership Forum and requests the Finance and Audit Committee to ensure that provision is made for appropriate secretariat staffing levels in the 2007 and 2008 budgets.

2. In the light of this, the Secretariat’s Head of Board and Donor Relations presented a summary of the tasks that the PFSC would be responsible for overseeing. These included:
   i. Define themes for the Partnership Forum (PF);
   ii. Appoint PF facilitator and guide creation of facilitation team;
   iii. Design and guide PF program;
   iv. Decide on location for PF;
   v. Ensure PF keeps within allotted budget;
   vi. Give guidance on ensuring a broad and balanced stakeholder attendance:
   vii. Oversee the Secretariat organization of the PF; and
   viii. Report back to PSC and Board via PSC on progress.

3. In view of the need to start preparatory work shortly, the Chair of the PSC requested nominations for a Chair of the PFSC from the PSC committee members and their constituencies. It was stressed that nominees be able to oversee the work for the duration of the planning process (about 18 months). Once nominations had been received, a Chair would be duly appointed, membership solicited and confirmed, and a first meeting of this committee called.

Part 8: Update of the Technical Evaluation Reference Group (TERG)

1. The Chair of the TERG presented an update of the TERG’s ongoing work, covering preliminary findings from the evaluation of Local Fund Agents (LFAs) which is expected to be available in final form for the April Board meeting. The TERG Chair also presented a progress update on the Five-Year Evaluation, as well as initial plans for the portion of the Board consultation that will focus on the evaluation of the governance function of the Global Fund, as part of the Five-Year Evaluation.

2. The TERG Chair reported that the Five-Year Evaluation was on track: Having completed the Partners in Impact meeting, country activities were being initiated, and the consultation on governance for the next Board meeting was in preparation.

3. The TERG Chair also informed the PSC of the TERG’s proposal that the terms of current TERG members be extended until the completion of the Five-Year Evaluation, which the PSC agreed to, and updated the PSC on the need to fill two vacancies on the TERG.
4. In addition, the TERG Chair suggested that he be included in the committee for selecting new TERG members. The PSC supported his recommendation, and further recommended that the Executive Director be allowed to designate an alternate to act on his or her behalf on the TERG selection committee.

**Decision Point 14 – TERG Membership Rotation Procedure**

[See Annex 2 for the full text of this decision point]
AGENDA AND ATTENDANCE LIST FOR 7TH PSC MEETING

AGENDA
POLICY AND STRATEGY COMMITTEE

<table>
<thead>
<tr>
<th>Date</th>
<th>14-16 March 2007</th>
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</thead>
<tbody>
<tr>
<td>Venue</td>
<td>Hope Plaza, Global Fund Secretariat</td>
</tr>
<tr>
<td>Chair</td>
<td>William Steiger, Board Member, USA</td>
</tr>
<tr>
<td>Vice-Chair</td>
<td>Jairo Pedraza, Developed NGOs (absent)</td>
</tr>
<tr>
<td>Focal Point</td>
<td>Helen Evans, Deputy Executive Director</td>
</tr>
</tbody>
</table>

Wednesday, 14 March 2007

08:30 – 09:00 Welcome Coffee

09:00 – 09:30 **Objectives and Agenda**

09:30 – 10:30 **Civil Society and Private Sector**

10:30 – 11:00 Break

11:00 – 12:00 **Civil Society and Private Sector (Continued)**

12:00 – 12:05 **Global Fund - Private Sector Collaboration**

12:05 – 13:00 Lunch

13:00 – 14:00 **UNITAID Update**

14:00 – 15:00 **Market Dynamics – Pooled Procurement**

15:00 – 15:30 Break

15:30 – 16:30 **Market Dynamics – Pooled Procurement (Continued)**

16:30 – 17:00 **PSC Membership and Leadership Renewal, and update on Partnership Forum Steering Committee**

17:00 – 17:30 **Confidentiality of Recordings of Executive Sessions**

19:00 – **Reception and Dinner: Château de Penthes**
18, chemin de l'Impératrice • 1292 Pregny-Genève
+41 (0)22 734 90 21
(Transportation provided from hotels)
**Thursday, 15 March 2007**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tbody>
<tr>
<td>08:30 – 09:00</td>
<td>Welcome Coffee</td>
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<tr>
<td>09:00 – 10:30</td>
<td>GF Resource Mobilization Task Team Findings and GF Resource Mobilization Strategy</td>
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<td>10:30 – 11:00</td>
<td>Break</td>
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<tr>
<td>11:00 – 12:30</td>
<td>GF Size</td>
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<tr>
<td>12:30 – 13:30</td>
<td>Lunch</td>
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<tr>
<td>13:30 – 15:30</td>
<td>Health Systems Strengthening</td>
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<td>15:30 – 16:00</td>
<td>Break</td>
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<td>16:00 – 18:00</td>
<td>Alignment and Harmonization – Program Measure</td>
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**Friday, 16 March 2007**

<table>
<thead>
<tr>
<th>Time</th>
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<tbody>
<tr>
<td>08:30 – 09:00</td>
<td>Welcome Coffee</td>
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<tr>
<td>09:00 – 11:00</td>
<td>RCC Policy Issues</td>
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<td>11:00 – 11:30</td>
<td>Break</td>
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<tr>
<td>11:30 – 12:30</td>
<td>Funding the Right Things</td>
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<td>12:30 – 13:30</td>
<td>Lunch (with TERG)</td>
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<td>13:30 – 14:00</td>
<td>TERG Update on 5-Year Evaluation</td>
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<td>14:00 – 15:00</td>
<td>Next Steps on Strategy</td>
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<td></td>
<td>• 15th Board Meeting</td>
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<td>• Development of Narrative Document</td>
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<td>15:00 – 15:30</td>
<td>Break</td>
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<tr>
<td>15:30 – 16:00</td>
<td>Update on Grant Consolidation Pilot Project</td>
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<td>16:00-16:30</td>
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### 7th Policy and Strategy Committee Meeting
**Geneva, 14-16 March 2007**

**Attendance List**

<table>
<thead>
<tr>
<th>Constituency</th>
<th>Committee Member</th>
<th>Attendee</th>
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<tbody>
<tr>
<td>1 USA (Chair)</td>
<td>William Steiger</td>
<td>William Steiger</td>
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<tr>
<td>2 Canada-Germany-Switzerland</td>
<td>Lars Selwig</td>
<td>Lars Selwig</td>
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<tr>
<td>3 East and Southern Africa</td>
<td>Daisy Mafubelu</td>
<td>Daisy Mafubelu</td>
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<tr>
<td>4 Eastern Europe</td>
<td>Alexander Pankin</td>
<td>Alexander Pankin</td>
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<tr>
<td>5 Eastern Mediterranean</td>
<td>Noureddine Chaouki</td>
<td>Noureddine Chaouki</td>
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<tr>
<td>6 European Commission</td>
<td>Enrico Mollica</td>
<td>Enrico Mollica</td>
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<td>7 France</td>
<td>Frédéric Goyet</td>
<td>Frédéric Goyet</td>
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<td>8 Italy</td>
<td>Lucia Fiori</td>
<td>Lucia Fiori</td>
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<td>9 Japan</td>
<td>Toshiaki Kobayashi</td>
<td>Toshiaki Kobayashi</td>
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<tr>
<td>10 Latin America &amp; the Caribbean</td>
<td>Paulo Teixeira</td>
<td>Paulo Teixeira</td>
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<td>11 NGO, Developed Country</td>
<td>Asia Russell</td>
<td>Asia Russell</td>
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<tr>
<td>12 NGO Rep. Communities</td>
<td>Francoise Welter</td>
<td>Shaun Mellors</td>
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<td>13 Point Seven</td>
<td>Lennarth Hjelmåker</td>
<td>Lennarth Hjelmåker</td>
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<tr>
<td>14 Private Foundations</td>
<td>Todd Summers</td>
<td>Todd Summers</td>
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<tr>
<td>15 Private Sector</td>
<td>Brian Brink</td>
<td>Brian Brink</td>
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<tr>
<td>16 South East Asia</td>
<td>K. Sujatha Rao</td>
<td>K. Sujatha Rao</td>
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<tr>
<td>17 UNAIDS</td>
<td>Deborah Landey</td>
<td>Purnima Mane</td>
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<tr>
<td>18 United Kingdom-Australia</td>
<td>Carole Presern</td>
<td>Carole Presern</td>
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<tr>
<td>19 USA</td>
<td>Jimmy Kolker</td>
<td>Jimmy Kolker</td>
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<tr>
<td>20 Western Pacific</td>
<td>Ren Minghui</td>
<td>Wei Ran</td>
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<td>21 WHO</td>
<td>Hiroki Nakatani</td>
<td>Hiroki Nakatani</td>
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<tr>
<td>22 World Bank</td>
<td>Debrowork Zewdie</td>
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<tr>
<th>Global Fund Secretariat</th>
<th>Name</th>
<th>Function/Subject Matter Specialist</th>
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<tbody>
<tr>
<td>23 Executive Director</td>
<td>Richard Feachem</td>
<td>Executive Director</td>
</tr>
<tr>
<td>24 Deputy Executive Director</td>
<td>Helen Evans</td>
<td>PSC Focal Point</td>
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<tr>
<td>25 Advisor to the Executive Director</td>
<td>Christina Schrade</td>
<td>Rapporteur</td>
</tr>
<tr>
<td>26 Manager, Business Strategy</td>
<td>David Salinas</td>
<td>Business Strategy</td>
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<tr>
<td>27 Strategy Officer</td>
<td>Lorrayne Ward</td>
<td>Business Strategy</td>
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<tr>
<td>28 Legal Counsel</td>
<td>Bartolomeo Migone</td>
<td>Legal Counsel</td>
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<tr>
<td>29 Head, Donor and Board Relations</td>
<td>Dianne Stewart</td>
<td>Observer</td>
</tr>
<tr>
<td>30 Board Relations Officer</td>
<td>Luke Aspinall</td>
<td>Observer</td>
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<tr>
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<tr>
<td>31</td>
<td>Support to the PSC Chair</td>
<td>Maggie Wynne</td>
</tr>
<tr>
<td>32</td>
<td>Invited Adviser</td>
<td>Rolf Korte</td>
</tr>
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<td>33</td>
<td>Invited Adviser</td>
<td>Mike Madnick</td>
</tr>
<tr>
<td>34</td>
<td>Invited Consultant</td>
<td>Alan Kierstead</td>
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<tr>
<td>35</td>
<td>Invited Consultant</td>
<td>Robert Hutchens</td>
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<th>Name</th>
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<tbody>
<tr>
<td>NGO, Developed Country (Vice-Chair)</td>
<td>Jairo Pedraza</td>
</tr>
<tr>
<td>NGO, Developing Country</td>
<td>Elizabeth Mataka</td>
</tr>
<tr>
<td>West and Central Africa</td>
<td>Babatunde Osotimehin</td>
</tr>
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DECISION POINTS

DECISION POINT 1 – ADOPTION OF THE RESOURCE MOBILIZATION STRATEGY

The Board adopts the Resource Mobilization Strategy contained in GF/B15/6, Annex 3, which is based on the recommendation of the Task Team on Resource Mobilization, and commits, where possible, to assisting the Secretariat in executing the strategy to achieve the agreed targets.

The material budgetary implications of this decision amount to US$ 5,332,772 in 2007, which includes an allocation for 18.5 positions in 2007.\(^{31}\)

DECISION POINT 2 – GLOBAL FUND STRATEGIC APPROACH TO HEALTH-SYSTEMS STRENGTHENING

The Board refers to the Framework Document of the Global Fund, which states that the Global Fund will support programs that “address the three diseases in ways that will contribute to strengthening health systems,” and “the Fund will support proposals which... 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.” The Board reaffirms the importance of strong public and private health systems to accomplishing the Global Fund’s mission to mitigate the impact of HIV/AIDS, tuberculosis and malaria in countries in need. The Board also recognizes that health systems capacity constraints have proven to be significant bottlenecks to Global Fund grant implementation, and that the Global Fund has, since its inception, provided significant support to a broad range of activities to strengthen health systems.

The Board decides that the Global Fund, as a financing instrument, should continue to support the strengthening of public and private health systems, and reaffirms its strategic approach in this regard, which consists of investing in activities to help health systems overcome constraints to the achievement of improved outcomes in reducing the burden of HIV/AIDS, tuberculosis and malaria. The Board also recognizes that the Global Fund is not the sole, or even primary, financier of such activities, and close coordination in strategic direction and implementation at the country level in this area is essential.

With this approach in mind, the Board asks the Policy and Strategy Committee (PSC) to consider the following issues, and make recommendations to the Board for decision at its Sixteenth Meeting:

- Whether the Board should continue to fund “Health-Systems Strengthening” (HSS) interventions exclusively within disease components or, in addition, establish a separate HSS component for proposals to the Global Fund;
- The appropriate parameters for allowable HSS activities;
- The possible use and nature of conditionality for applying for HSS funding; and
- The possible use and nature of ceilings for HSS funding.

There are no material budgetary implications for this decision.

\(^{31}\) The details of this supplementary budget for 2007 and the implications of this for 2008 were presented to the Finance and Audit Committee and endorsed by that committee. Further information is available in the Report of the Finance and Audit Committee (GF-B15-8).
DECISION POINT 3 – MODIFIED APPLICATION PROCESS FOR SUPPORTING COUNTRY PROGRAMS

The Board reaffirms its commitment to the principles of alignment and harmonization – in particular to further alignment of the Global Fund with national strategies, systems, and structures, and further harmonization with the procedures of international partners, as a means to achieving increased impact.

To provide greater support for country programs, the Board decides, in principle, to establish new procedures that will allow applicants to submit national strategies for HIV/AIDS, tuberculosis or malaria for Global Fund financing under conditions that differ in some respects from existing application requirements (“National-Strategy Applications”).

The Board endorses the following principles for National-Strategy Applications:

• National-Strategy Applications must be based on inclusive, costed, comprehensive and prioritized national strategies (which include a workplan and budget) that have undergone a rigorous technical certification by an independent review mechanism (“IRM”).

• National-Strategy Applications shall comprise the certified national strategy and minimal additional information, which should include a specification of financial contributions to the national strategy received from existing sources, the amount of funding requested from the Global Fund, and the results to which this funding is expected to contribute;

• The IRM that certifies national strategies shall meet certain conditions – to be defined and endorsed by the Board at a later stage – such as appropriate technical expertise and the capacity to carry out certifications functions rapidly, efficiently and transparently;

• The IRM shall assess the technical soundness and feasibility of national strategies based on rigorous criteria that will be developed jointly with relevant partners, so the outcome of the certification is useful beyond the Global Fund’s own specific needs. The Global Fund shall contribute to the development of the criteria the standards the Board requires for the certification to fulfill the Global Fund’s core principles, including but not limited to programmatic and financial accountability; and

• The implementation of National-Strategy Applications should be consistent with the core principles of the Global Fund, including performance-based funding, financial and programmatic accountability, and additionality.

The Board requests the Policy and Strategy Committee to recommend to the Board for approval at its Sixteenth Meeting a plan and policies for bringing into operation a National-Strategy Applications procedure, based on the principles set forth in this decision. Such recommendations shall also address the role of Country Coordinating Mechanisms and the Technical Review Panel, the inclusion of non-governmental entities in the National-Strategy Applications process, and the possibility of more frequent funding decisions for National-Strategy Applications, which the Board believes could provide benefits in terms of alignment and harmonization. The Policy and Strategy Committee shall also identify any modifications to existing Global Fund policies that would be necessary in order to bring into operation the National-Strategy Applications procedure.

In the spirit of the underlying principles of the Global Task Team and the Paris Declaration, the Board calls upon all partners to develop a shared certification approach for national strategies and to allow, where relevant, the use of certified strategies as the basis for applications for funding.

There are no material budgetary implications for this decision.

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32 In addition, the existing country eligibility requirements for Global Fund proposals shall also apply to National-Strategy Applications.

33 There could be a single IRM for all diseases, or different IRMs for each disease. Also, depending on how an IRM is constituted, it could review national strategies for the entire health sector (which include sub-strategies for specific diseases), or only for one or more of the three diseases relevant to the Global Fund.
DECISION POINT 4 - USE OF EXISTING FLEXIBILITIES, AND FLEXIBILITY IN THE TIMING OF PHASE-2 REVIEWS

The Board reaffirms its commitment to the principles of alignment and harmonization – in particular to further alignment of the Global Fund with national strategies, systems, and structures, and further harmonization with the procedures of international partners, as a means to achieving increased impact.

The Board recognizes that there is much flexibility in the current policy framework of the Global Fund that can and should be further exercised to enable increased alignment and harmonization. Thus, the Board encourages the Secretariat, Country Coordinating Mechanisms (CCMs) and Principal Recipients to communicate and fully exercise – as relevant and appropriate – these existing flexibilities.

In addition, the Board decides, in principle, to allow CCMs to request greater flexibility, for grants to operate in alignment with the implementation of national programs, in the timing of, and the performance period covered by, the Phase-2 review, for the purpose of enabling greater alignment with national cycles and harmonization with other donors’ evaluation efforts. The Secretariat shall only allow this flexibility where relevant and appropriate, based on a set of conditions to be determined and agreed by the Board. The Board shall vote on any requests for bridge funding in cases in which such funding would be necessary to avoid interruption of program activities prior to the beginning of Phase 2. The Board requests the Portfolio Committee to propose appropriate modifications to existing Board policies to enable the Secretariat to exercise this flexibility, including by specifying the conditions under which the Board would allow CCMs to request this flexibility and the specific timing parameters for the Phase-2 review, and to present these to the Board for approval at its Sixteenth Meeting.

There are no material budgetary implications for this decision.

DECISION POINT 5 - REPORTING ON THE STATUS OF THE PORTFOLIO

The Board requests the Secretariat to provide an analysis of the Global Fund’s grant portfolio at the Board’s first meeting of each calendar year, as part of the Secretariat’s yearly reporting to the Board on the core set of Performance Indicators for the Global Fund.

This analysis shall include, for example, where feasible and available in recipient country systems, elements such as value for money of Global Fund-financed interventions, the quality of treatment, prevention and care interventions provided through Global Fund-supported programs, the balance of interventions within each disease, the integration of relevant scientific innovations, and gender.

The budgetary implications of this decision in 2007 are estimated to be US$ 117,000, which includes an allocation for 1.5 positions in 2007.

DECISION POINT 6 - STRENGTHENING THE ROLE OF CIVIL SOCIETY AND THE PRIVATE SECTOR IN THE GLOBAL FUND’S WORK

The Board believes that civil society and the private sector can, and should, play a critical role at all levels of the architecture and within every step of the processes of the Global Fund, at both the institutional and country levels. This includes their critical roles in the development of policy and strategy, and in resource mobilization at the Global Fund Board level, as well as in the development of proposals, and the implementation and oversight of grants at the country level. The Board further expresses its desire for strengthened and scaled-up civil-society and private-sector involvement at both the country and Board levels, while recognizing the respective strengths and roles of the two sectors.

34 All references to a Country Coordinating Mechanism (CCM) include – in addition to a Country Coordinating Mechanism – a Sub-National CCM and a Regional Coordinating Mechanism, and in the case of a non-CCM proposal a grant applicant.

35 Decision Point GF/B14/DP16.
With this goal in mind – and also reaffirming the importance of effective Country Coordinating Mechanisms (CCMs)\(^ {36} \) in ensuring strong country-level development of proposals and oversight of grants – the Board recognizes the need to further enable civil society and the private sector to play their critical roles, facilitated by the following:

- The routine inclusion, in proposals for Global Fund financing, of both government and non-government Principal Recipients (PRs) for Global Fund grants (“dual-track financing”). The Board encourages the submission of proposals with both government and non-government PRs. If a proposal does not include both government and non-government PRs, it should contain an explanation of the reason for this;
- The routine inclusion, in proposals for Global Fund financing, of requests for funding of relevant measures to strengthen the community systems necessary for the effective implementation of Global Fund grants;
- The effective representation and meaningful participation of vulnerable groups (as defined in the context of each particular country) on CCMs; and
- Simplified CCM access to funding to support their effective administrative functioning, for the life of a grant when needed, and increased transparency by CCMs about how they plan to ensure access by civil society to such funding.

The Board requests the Secretariat to take the necessary actions and collaborate with partners to achieve the above outcomes, working with the relevant Board committee(s), where necessary.

In particular, the Board requests the Portfolio Committee (PC) to do the following:

- Agree on a suitable definition of the term “civil society”, by building on existing work to that effect;
- Modify future proposal forms and guidelines (starting with those for Round 8) to encourage the use of dual-track financing and the inclusion of funding requests for strengthening community systems in proposals;
- Propose means to increase the representation of vulnerable groups on CCMs, such as by revising the relevant, current recommendation on the composition of CCMs;
- Propose guidance to CCMs regarding the types of civil-society and private-sector representatives that could be most relevant to the work of CCMs;
- Propose appropriate modifications to the policy or guidance on the funding for CCM activities;
- Propose guidance on increasing the capacity of the Technical Review Panel in the area of civil society and the private sector; and
- Report on progress at the Sixteenth Board Meeting.

Regarding dual-track financing, the Board notes the following:

- The possible benefits achieved through dual-track financing include increased absorption capacity (from taking full advantage of the implementation capacity of all domestic sectors, both governmental and non-governmental), accelerated implementation and performance of grants, and the strengthening of weaker sectors; and
- CCMs, PRs and the Secretariat should implement dual-track financing according to the following principles:
  - The implementation should be consistent with alignment and harmonization of efforts to fight the three diseases;
  - It should be consistent with national strategies to fight the three diseases, or there should be a justification stated when this is not the case;
  - It should seek to minimize transaction costs and demands on CCMs, PRs and the Secretariat;

\(^ {36} \) All references to a CCM include – in addition to a Country Coordinating Mechanism – a Sub-National CCM and a Regional Coordinating Mechanism, and in the case of a non-CCM proposal (where relevant) a grant applicant.
- It should apply equally the same expectations of accountability, transparency and responsibility to government and non-government PRs.

_The Board requests the Secretariat to consult with the Finance and Audit Committee to further analyze and refine the estimates of budgetary implications, including possible costs and savings, of this decision and report its findings to the Sixteenth Board Meeting._

**DECISION POINT 7 – MARKET DYNAMICS AND VOLUNTARY POOLED PROCUREMENT**

The Board refers to its decision at the Thirteenth Board Meeting (GF/B14/2, p. 13) to approve, in principle, the recommendation that the Global Fund facilitate the provision of voluntary pooled procurement for recipients of grants, subject to the development and Board approval of a suitable feasibility and business plan. It also refers to its decision at the Fourteenth Board Meeting (GF/B14/DP15) that the Global Fund assume a deliberate and strategic role in improving the impact of grants by influencing market dynamics.

The Board adopts the Objective and Guiding Principles for the Global Fund’s Market Dynamics Strategy, as set out in the Report of the Policy and Strategy Committee (GF/B15/6).

The Board decides to endorse the following strategic model (“the Model”) for voluntary pooled procurement, as a first element of its strategy on market dynamics, and notes additional elements to this strategy may follow.

1. The Secretariat shall rapidly strengthen its existing Price Reporting Mechanism (“PRM”), with the objective of enhancing the completeness and quality of self-reported data as an essential foundation of sound market dynamics and procurement practices. In particular, the Secretariat shall more strictly enforce compliance with the existing requirement that recipients report procurement information (including prices paid) for the relevant health products, and subject the data reported in the PRM to periodic audit by an external agent with appropriate qualifications.

2. The Secretariat shall establish a pooled-purchasing service37 (the “Pooled Service”).
   i. The Pooled Service shall cover a set of target products and be operated by one or more global or regional procurement agent(s) (the “Procurement Agent”) that the Secretariat shall select following a transparent, competitive tender process. The Secretariat shall direct the Procurement Agent to seek to award contracts for a given product to several suppliers, where possible and appropriate in view of considerations of market dynamics.
   ii. Participants in the Pooled Service must agree to have the Global Fund Trustee make direct payment to the Procurement Agent for purchases. The Procurement Agent will input in the PRM all required information in relation to purchases made through the Pooled Service.
   iii. Use of the Pooled Service shall be voluntary except for (a) United Nations agencies serving as Principal Recipients (“PRs”) and (b) PRs that, in the determination of the Secretariat, have demonstrated inadequate capacity to procure effectively, which the Secretariat, if appropriate, may in each case require to procure through the Pooled Service.

3. The Secretariat shall enter into contracts with global, regional or national providers of procurement capacity-building services and supply-chain-management assistance (the “Capacity-Building Providers”), which it shall select following transparent, competitive tender processes. These services shall be available, on a voluntary basis, to any PR using the Pooled Service. In addition, to further support the development of the national capacity to conduct procurement effectively and efficiently, the Secretariat shall make available the services provided by the Capacity-Building Providers to other relevant entities in those countries with Global Fund grants whose PR procures through the Pooled Service (at their own cost).

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37 This Pooled Service will include, but not be limited to, the functions of demand aggregation; competitive, transparent, international tendering and negotiation with suppliers; order-taking and -processing; shipping to in-country central warehouses; and transfer of funds to suppliers.
Payment for services of the Procurement Agent pertaining to purchases made through the Pooled Service with funds provided by the Global Fund, and payment for services provided to PRs by the Capacity-Building Providers shall, if not otherwise covered by the relevant PRs, be made out of grant funds and not out of the Secretariat’s operating budget.

The Board delegates authority to the Secretariat to implement the Model, in conformity with the Guiding Principles for market dynamics, in a phased approach that shall initially cover a small number of target product categories, which the Secretariat shall select based on further, careful analysis.

The Board expects the Secretariat to refine the operational implementation of the Model based on lessons learned over time and other considerations, and to report back to the Policy and Strategy Committee on possible strategic refinements or revisions to the model (including the possible use of price ceilings and other incentives) that might prove helpful to better achieving the Objective in conformity with the Guiding Principles.

The Board also requests the Secretariat to report on progress at the Sixteenth Board Meeting. Noting the limited progress to date on improving the PRM, the Board specifically requests the Secretariat to include in its report an analysis of the status of the current PRM (including rates of, and challenges to, compliance by PRs) and specific measures taken to improve compliance with reporting requirements and the data reliability of the PRM.

The budgetary implications of this decision in 2007 are estimated to be US$ 1.13 million, which includes an allocation for five positions in 2007.

DECISION POINT 8 – DEVELOPMENT OF A ROADMAP FOR FUTURE COLLABORATION WITH UNITAID

The Board refers to its decision (GF/B14/DP23) to request the Policy and Strategy Committee (PSC) to work with the Secretariat and the Finance and Audit Committee (FAC) to develop a roadmap for future collaboration with the UNITAID Board and Secretariat, and present it for approval by the Board at its Fifteenth Meeting. The Board notes that it was not possible for the PSC to present such a roadmap at the Fifteenth Board Meeting, for a number of reasons explained in the Report of the PSC (GF/B15/6), and requests the PSC to continue to work with the Secretariat and the FAC to develop the roadmap with UNITAID, with a view to presenting it for approval by the Board at its Sixteenth Meeting.

The budgetary implications of this decision in 2007 are estimated to be $153,227, which includes an allocation for 0.6 of a position for the remainder of 2007.

DECISION POINT 9 – DURATION OF GRANTS ELIGIBLE FOR QUALIFICATION FOR THE ROLLING CONTINUATION CHANNEL

The Board decides that grants from the fourth and subsequent Rounds that have a term of less than five years shall be ineligible for qualification for the Rolling Continuation Channel. The Board and Secretariat will communicate with Country Coordinating Mechanisms in a timely manner regarding this policy.

There are no material budgetary implications for this decision.

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38 The PSC has established a working group which will ensure its ongoing involvement in the development of the roadmap and which also includes a representative of the FAC.

39 The reference to a Country Coordinating Mechanism (CCM) includes – in addition to a Country Coordinating Mechanism – a Sub-National CCM, and a Regional Coordinating Mechanism, and in the case of a non-CCM proposal, a grant applicant.
DECISION POINT 10 – BOARD DECISION-MAKING PROCEDURE FOR THE ROLLING CONTINUATION CHANNEL

The Board has approved the establishment of a funding channel (the “Rolling Continuation Channel” or “RCC”) that provides an opportunity for Country Coordinating Mechanisms (“CCMs”) to apply for continued funding for high-performing grants that are reaching the end of their funding terms (“expiring grants”) under conditions different from those available for proposals submitted as part of new rounds of financing (“rounds-based channel”). The Board approves the following procedure for the Board to make funding decisions for proposals submitted under the Rolling Continuation Channel that the Secretariat has qualified as eligible for the RCC.

1. The Board will consider proposals for RCC funding not more than once every three months, unless the Secretariat determines it is necessary because of exceptional circumstances to present a recommendation to the Board more frequently.

2. The Board will make funding decisions for proposals for RCC funding based on the recommendations of the Technical Review Panel (“TRP”), which will take into account performance data provided by the Secretariat. The TRP will make recommendations to the Board for funding of RCC proposals in accordance with the Terms of Reference of the TRP.

3. The Secretariat will post the TRP’s recommendations and supporting documents on the Global Fund website with password protection, will inform Board constituencies via e-mail when it has posted these recommendations, and will provide to them a voting form that will list the recommendations. Notice to Board constituencies of the vote on the TRP’s recommendations will be effective upon the transmission of the voting form. For the purposes of Article 7.6 of the By-laws, all Board members will be deemed to be participating in the vote when such notice becomes effective.

4. The Board will vote on the TRP recommendations on RCC funding by e-mail on a “no-objection” basis, in accordance with Section 12 of the Board Operating Procedures and Article 7.6 of the By-laws. Consistent with Board practice for funding decisions made under the rounds-based channel, the Board will consider the totality of the TRP’s recommendations.

5. However, if a Board member objects to an individual recommendation from the TRP, he or she will provide to the Secretariat a written explanation of the reasons for such objection. The Secretariat will then promptly make available such explanation to all other Board members and the TRP.

6. For the purposes of Section 12 of the Board Operating Procedures, the time period within which the Secretariat must receive objections in order for them to be counted is ten (10) calendar days after notice of the vote is effective.

7. If the Board approves the TRP recommendations, that decision will constitute an approval of the entire term of each RCC proposal recommended for funding by the TRP, with a financial commitment for the initial three (3) years of the RCC proposal, with funding for the second phase subject to the approval of the Board based on a mid-term performance review.

8. If the Board decides not to approve a TRP recommendation, the decision-making process that applies following a Board objection to a TRP recommendation under the Phase-2 Decision-Making Policies and Procedures, as amended from time to time, will be followed.

9. Funding recommendations with respect to RCC proposals that have successfully been appealed, in accordance with the Global Fund’s Rules and Procedures for Appeals, will come before the Board for decision, in accordance with such Rules and Procedures for Appeals.

There are no material budgetary implications for this decision.

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40 See decision GF/B14/DP9 (‘Establishment of a Rolling Continuation Channel’).
41 In this procedure, all references to a CCM include – in addition to a Country Coordinating Mechanism – a Sub-National CCM, Regional Coordinating Mechanism and, in the case of a non-CCM proposal, a grant applicant.
42 See Phase 2 Decision-Making Policies and Procedures, approved by Board Decision GF/B14/DP27.
43 For this purpose, references in the Phase 2 Decision-Making Policies and Procedures to ‘Go,’ ‘Conditional Go,’ ‘Revised Go’ and ‘No Go’ recommendations will be construed as references to the nearest equivalent recommendation to fund or not to fund under the TRP’s Terms of Reference for review of RCC proposals.
DECISION POINT 11 - AMENDMENT TO SECTION 12 OF THE BOARD OPERATING PROCEDURES

To allow RCC funding decisions to be made on a ‘no-objection’ basis, the Board amends Section 12 of the Board Operating Procedures as follows:

“12. No-Objection Process for Approving Funding for Proposals Beyond the Initial Funding Commitment

Notwithstanding Sections 10 and 11, decisions by the Board to provide funding for approved proposals beyond the initial funding commitment or for proposals requesting continued funding for grants that are reaching the end of their funding terms may be made on a no-objection basis under the following process.

As directed by the Board, the Secretariat shall issue a request recommendation for decision action on each funding commitment for which a Board decision is required, and shall notify the Board accordingly. Unless four Board members of one of the voting groups described in Section 10 object to the requested decision recommendation within a time period specified by the Board following the date of notification, the requested decision recommendation shall be deemed approved by the Board.”

There are no material budgetary implications for this decision.

DECISION POINT 12 – DEVELOPMENT OF A DECISION-MAKING PROCEDURE FOR FUNDING BEYOND THE INITIAL FINANCIAL COMMITMENT OF APPROVED ROLLING-CONTINUATION-CHANNEL PROPOSALS

The Board requests the Portfolio Committee to present for approval, no later than the Seventeenth Board Meeting, a procedure for the Board to make funding decisions beyond the initial financial commitment of approved RCC proposals. The Board further requests that, in developing such procedure, the Portfolio Committee take into consideration the principles, policies and procedures applicable to Phase-2 funding decisions of rounds-based proposals.

There are no material budgetary implications for this decision.

DECISION POINT 13 - CONFIDENTIALITY OF RECORDINGS OF EXECUTIVE SESSIONS

The Board approves the amendments to the Global Fund Documents Policy, as presented in GF/B15/6, Annex 4.

There are no material budgetary implications for this decision.

DECISION POINT 14 – TERG MEMBERSHIP ROTATION PROCEDURE

The Board approves the following amendments to paragraph 6 of the Terms of Reference, Membership and Procedures of the Technical Evaluation Reference Group approved at the Tenth Board Meeting (GF/B10/8, Annex 8):

“6. Each Board member of the Global Fund may nominate candidates who match the profile and qualifications defined in paragraph 7 (up to 4 candidates per board member). The names of candidates will be submitted to the Policy and Strategy Committee with the appropriate information and documentation through the Secretariat. The PS Committee with the support of the Fund Secretariat, will recommend a proposed list of appointees to the selection committee which is comprised of the Chair or Vice Chair of the PS Committee, the Chair of the TERG, the Committee M&E focal point and the Executive Director of the Global Fund or his/her designee. The final proposed list will be forwarded to the Board of the Global Fund for decision.”

There are no material budgetary implications for this decision.

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confirmed appointees will be invited to become members of the TERG by the Executive Director of the Global Fund. The M&E focal point member of the PS committee as well as the chairs of the monitoring and evaluation reference panels of UNAIDS, Roll back Malaria, and Stop TB shall be ex-officio members of the TERG. In addition to the regular TERG membership, additional experts may be invited to participate as the need arises.”

*There are no material budgetary implications for this decision.*
RESOURCES MOBILIZATION STRATEGY

Outline: This paper presents, for consideration by the Policy and Strategy Committee (PSC), a high-level resource mobilization strategy. This is a modification of a previous version of the strategy following the recommendations of the Task Team on Resource Mobilization, established by the Global Fund's Board at its 14th Meeting in October 2006, and which ended its work in February 2007.

Part 1: Overview And Strategic Objectives Of Resource Mobilization

1. The Global Fund represents an innovative and transparent financing mechanism, with a strong results-driven approach, to fund the fight against the three diseases. Since the creation of the Global Fund, its annual income has grown steadily; the greatest increases occurred between 2005 and 2006, when contributions reached US$ 2.2 billion. As a result of the amount of resources the Global Fund has mobilized, the Board has been able so far to approve all proposals recommended by the Technical Review Panel (TRP), and all successful requests for continued funding, which has, in turn, ensured that the Board has not had to turn down any single proposal because of resource constraints.

2. However, for the Global Fund to contribute, along with bilateral and multilateral partners, to meeting the growing needs of recipient countries and the commitment endorsed by the G-8 and the United Nations General Assembly (UNGASS) High-Level Session on HIV/AIDS to achieve as-close-as-possible to universal access to HIV/AIDS treatment by 2010, its resources need to increase as well. There is growing consensus that maintaining the current annual income level of the Global Fund will not be adequate to fulfill its mandate. This objective requires in turn a more robust resource mobilization strategy.

3. The Board of the Global Fund established a Task Team on Resource Mobilization in November 2006, and requested it to report back at the Fifteenth Board Meeting. The Task Team included experts on various aspects of Resource Mobilization, and delivered a comprehensive report to the members of the Policy and Strategy (PSC) and the Finance and Audit Committees (FAC) on 2 March 2007. The recommendations of the Task Team have informed and guided this resource mobilization strategy.

4. Recognizing that the massive financial needs to counter the three diseases transcend the current resources available to the Global Fund, the Task Team concluded that a new framing of the Global Fund’s resource mobilization strategy is required, one that is based on the development of a process to increase the size and improve the quality of concrete expressions of demand, based on national ownership, plans and leadership involving the Secretariat and each of the Global Fund’s stakeholders - donors, eligible applicant countries, civil society, technical partners and the private sector. Recent projections presented at the First Meeting of the Second Replenishment show the demand for Global Fund support has the realistic potential to increase over time and that appropriate measures and interventions can reduce the gap between current expressions of demand and the global needs. The Task Team also recognized the importance of grant performance and managerial excellence in maintaining the institutional position and credibility of the Global Fund with donors, who have the option to spend money to fight AIDS, TB and Malaria in multiple ways.

44 Extensive information to support this contention is provided in "Partners in Impact: Results Report 2006," and the ongoing Five-Year Evaluation of the Global Fund will further enhance this effect in evaluating impact.
5. This resource mobilization strategy identifies the appropriate sources of income, and the strategic actions necessary for each source, to ensure the Global Fund Board can fulfill its mandate and provide predictable and sustainable funding to the expected increased demand from eligible countries for the fight against the three diseases. The future funding perspectives of the Global Fund depend closely on its ability to prove its value as a conduit of additional funds, which come mainly from mobilizing a bigger share of expected increases in Official Development Assistance (ODA), by attracting new public and private donors, and ensuring close partnerships with innovative financing mechanisms. The need to ensure broad representation of political and financial support from all sectors and to optimize the efficiency of the resource mobilization efforts of the Global Fund Board and Secretariat, has guided, and will continue to guide, the organization’s approach in this area.

6. The four main sources of income for the Global Fund, in priority order, are the following:
   i. **Public donors**: contributions from national governments, usually from ODA;
   ii. **Investment returns**: the return gained on the funds managed by the Global Fund’s Trustee;
   iii. **Private sector**: cash and non-cash contributions from foundations, corporations and individuals; and
   iv. **Innovative financing mechanisms**: various new mechanisms that aim to mobilize resources distinct from ODA and private sector contributions.

7. The Secretariat has determined this prioritization of sources of income, and the description of key actions to increase revenue from each of these four main sources, with guidance from the Task Team on Resource Mobilization and they emanate from its recommendations.

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**Figure 1: Actual Funds Received or Pledged 2001-2006 and Preliminary Targets 2007-2010**

8. Based on the Global Fund’s purpose and principles, and taking into account the context and targets above, the strategic objectives of the resource mobilization efforts of the Board and Secretariat would be to accomplish the following:
   i. Raise a **sufficient, year-to-year level of resources**;
   ii. Build and maintain the medium- and long-term **sustainability** and **predictability** of resource inflows;
   iii. Optimize the level of **additionality** of overall resources raised;

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47 The preliminary targets in the figure are based on the ‘Option B’ and ‘Option C’ scenarios presented in the “Options Paper on the Size of the Global Fund,” considered by the Policy and Strategy Committee in its meeting of 13-14 March 2006, and presented to the Thirteenth Board meeting. The figures extrapolate a 2007-2010 trajectory from the approximate 2010 target size for each option. The Secretariat will update the targets (and trajectory) to reflect the PSC’s recommendation on the topic of Global Fund size at its 7th meeting.
iv. Expand current sources, and tap into promising new sources of funding;

v. Ensure broad representation and buy-in through the recruitment of new donors;

vi. Optimize the efficiency of the resource mobilization efforts of the Global Fund Board and Secretariat.

Part 2: High-Level Resource Mobilization Strategy

1. In November 2006, based on the recommendation of the FAC, the Board appointed a Task Team on Resource Mobilization to aid the Board and the Secretariat in addressing the challenges of increasing the funding scope of the Global Fund. In its report, the Task Team has emphasized the need for a process that aims to increase the size and improve the quality of concrete expressions of demand and examined and proposed a series of strategic recommendations, and outlined their implications in terms of need for additional Secretariat staff and resource-capacity requirements. The Task Team has prioritized those recommendations by those sectors that it deemed to have the most dramatic and immediate impact on enhanced resource mobilization, beginning with the public sector and investment income, and continuing with strategies for mobilizing resources from the private sector and through innovative financing mechanisms.

2. Overview of top resource-mobilization priorities for the next four years (by primary income source):

   1. Public Donors
      i. **Continue the Voluntary Replenishment process, and increase the predictability of funding by encouraging multi-year pledges** to the Global Fund;
      ii. **Encourage the engagement of the Board** to steward constituencies for resource mobilization;
      iii. **Continue mobilization efforts** with key donors via bilateral and multilateral fora, by highlighting the need for long-term sustainability and the effectiveness of investing increasing ODA in the Global Fund; and
      iv. **Refine and expand** resource-mobilization efforts with targeted, current and potential new donors.

   2. Investment Returns
      i. **Explore options to optimize investment returns** within an investment policy consistent with the best practices of publicly funded institutions.

   3. Private Sector
      i. **Strengthen the Global Fund’s position as a strategic partner for private foundations**, by ensuring their continued, full support;
      ii. **Support the growth of (PRODUCT)RED and other consumer-focused fundraising initiatives**;
      iii. **Further develop and grow an integrated partnership platform** – the Global Fund Corporate Champions Program – to mobilize broad based support including cash contributions from corporations;
      iv. **Mobilize the support of high-net worth and other influential individuals** through major gifts and engagement in advocacy; and
      v. **Cultivate policies, processes and attitudes at all levels** of the Global Fund architecture to support the full engagement of the private sector.

   4. Innovative Financing Mechanisms
      i. **Actively examine the potential benefits of working with UNITAID**, which is financed to a large degree through an innovative levy on air traffic, and, **if appropriate, adapt the Global Fund architecture to accommodate UNITAID’s contributions**; and
ii. Engage the Board in a broader advocacy role to promote collaboration with and further development of opportunities in innovative finance, particularly within the Global Fund Debt-Conversion initiative.

A. Public Donors

Strategic value

3. Taking into account cumulative contributions from 2002 through 2005, so far the ten major donors to the Global Fund represented an average of 88 percent of the annual level of overall resources to the Global Fund. Some additional 30 public donors collectively gave nine percent of the resources. At this stage, it is clear public donors are still the core source of yearly funding to the Global Fund.

4. It would be therefore crucial for the Board and Secretariat to ensure the following:
   i. The mobilization of demand and achievement of timely and cost-effective results at the country level to justify the ongoing provision of sufficient resources by major public donors; the achievement and communication of results must continue and increase to safeguard the credibility of the Global Fund as an investment mechanism;
   ii. The sustainability and predictability of financial resources; among most of the public donors to date, there has been overall sustainability, consistency and growth of funding for the Global Fund. This pattern has to be maintained and further strengthened with current donors to ensure adequate response to the expected increase in demand for Global Fund’s support;
   iii. Broad political representation and buy-in through the recruitment of new donors, to ensure wide consensus around institutional and programmatic discussions on the Global Fund, including, but not exclusively, about resource mobilization; and
   iv. A regular and high-quality analysis of donor trends and information flow to donors. It is essential donors feel the Secretariat is responsive to their information needs, and provides timely, well-structured and transparent reporting. To this end, the “Friends of the Fund” organizations in various countries and regions greatly assist the Secretariat and the Board in providing critical support in this area.

5. The Task Team has identified key priority areas for the resource mobilization effort with public donors, has asked the Secretariat to evaluate current staff capacity and has recommended increases to it, as appropriate, for government relations, donor stewardship, outreach, communications, and support. As such, this reaffirms the Board must ensure it invests sufficient resources to steward and engage its most important funding source, which, for the foreseeable future, will continue to be the public sector.

Key priority actions for the next four years

6. Continue the Voluntary Replenishment process, and work to improve the predictability of financing to the Global Fund. The Global Fund Board should regard the Voluntary Replenishment mechanism as a key vehicle for resource mobilization among many public donors, and encourage the participation of a broader range of donors. The specific actions for the Board and Secretariat in this area would be to do the following:
   i. The Second Replenishment should engage a higher number of new donors, build consensus among donors on agreed-upon funding targets, and strongly encourage multi-year pledges to increase the predictability of funding; and
   ii. Continue efforts to clarify the role of the Voluntary Replenishment in relation to the Global Fund’s governance structure.

7. Promote the engagement of the Fund Board to steward constituencies to support resource-mobilization efforts with current donors and new donors. Specific actions would include the following:
i. Leverage the capacity for the Chair and Vice-Chair of the Board to play a leadership role in advocating on behalf of the Global Fund, and to reinforce the role of other Board Members in advocating within their respective countries;

ii. Encourage Board Members to maximize the contribution of their own constituencies and expand the donor base of the Global Fund through regional or other donor alliances, including with new donors; and

iii. Secure Board representation by all donors through a transparent system for the allocation of donor seats, based on contributions to the Global Fund; such a system might imply that donors would periodically redistribute seats to reflect actual contributions, and make space available within existing constituencies for new donors.

8. **Continue mobilization efforts** with existing donors via bilateral and multilateral fora, by highlighting the need for long-term sustainability and the effectiveness of investing increasing ODA in the Global Fund. The main actions in this area would be to do the following:

   i. Reinforce the capacity of the Secretariat to mobilize and encourage larger and better quality concrete expressions of demand, as well as to maintain and further develop donor stewardship, outreach, communications, and support for all major donors, including by deepening relations with the G-8 countries and other key constituencies;

   ii. Maintain and increase commitment of those donors whose funding decisions are not focused on the Voluntary Replenishment, which will require intense interaction among advocates in those countries and among decision-makers and influencers;

   iii. Develop tools and methods for communicating innovatively and effectively with donor governments and their constituencies, and respond to information requests and new developments as appropriate. Such innovative methods might include the following:

      (a) Organizing specific plans and comprehensive campaigns to engage with key donors;

      (b) Promoting donors’ exposure to programs financed by the Global Fund, so as to strengthen donors’ understanding of the benefits of the Global Fund’s work, and their participation in partnerships with recipients to develop demand;

      (c) Nurturing relationships with influential voices in countries that have partnerships that have received financing from the Global Fund;

      (d) Working closely with civil society and advocacy groups in donor countries to provide accurate information about the Global Fund;

      (e) Promoting broad alliances and aggregation of small contributions from public sector donors to qualify for a Board seat, and empowering these donors to participate fully in the work of the Global Fund;

      (f) Positioning the Global Fund as a priority in parliamentary agendas in major donor countries by proactively engaging parliamentarians and supporting influential advocates; and

      (g) Expanding the network of “Friends” organizations, to include new regions with existing and new donors.

   iv. Strengthen policy analysis and information-management of donor trends, in support to the Global Fund, ODA, and the fight against the three diseases, so as to identify constraints and opportunities, and ensure a better response to donors on issues and concerns around their support to the Global Fund.

9. **Refine and expand resource-mobilization efforts with targeted new donors, and with current donors**, including by mobilizing and coordinating consultants or outsourced expertise, as needed:

   i. For oil-rich states, present the Global Fund as a suitable instrument to channel their resources to countries in greatest need; and

   ii. For emerging economies, build dedicated capacity to explore greater contributions from those countries that have experienced the benefit of Global Fund’s support, and now have the financial resources to become significant donors to the Global Fund.
B. Investment Returns

Strategic value

10. The Global Fund earns investment income on contributions it has received from donors for the financing of specific programs not yet disbursed to recipients. These funds, managed by The World Bank (which serves as the Global Fund’s Trustee), totaled approximately US$ 3.1 billion at the end of 2006. The investment portfolio yielded a return of 4.5 percent in 2006, which produced an income of US$ 126 million; fees paid to the World Bank totaled approximately US$ 2.4 million in 2006. Assuming an investment portfolio of at least US$ 3 billion, each percentage point of return yields investment income of US$ 30 million per annum, hence:

i. A two-percent return would yield US$ 60 million;

ii. A four-percent return would yield US$ 120 million;

iii. A six-percent return would yield US$ 180 million; and

iv. An eight-percent return would yield US$ 240 million.

11. Optimizing the investment income earned on the funds managed by the Trustee fulfills strategic resource mobilization objectives:

i. Additionality, as investment income on Global Fund liquidity provides funds that help preserve the use of donor contributions exclusively for grants, by covering the operating expenses of the Secretariat and generating additional income; and

ii. Efficiency, as resources are generated from existing funds.

Key priority actions for the next four years

12. Explore options to optimize investment returns in the light of increasing liquidity levels, consistent with the best practices of publicly funded institutions. Draw on the best advice and services available from the Trustee and the private sector toward achieving this goal. Specifically, form a subcommittee under the oversight of the FAC to:

iii. Explore possible investment approaches, having regard to expected cashflows and liquidity balances;

iv. Prepare recommendations for FAC and then Board consideration on the appropriate risk profile of the Global Fund; and

v. Prepare proposals assessing the benefit of forming an investment committee, or specifying additional responsibilities of the FAC, to provide direction and advice on investment policies to maximize portfolio return in accordance with the Board’s assessment of the appropriate risk profile of the Global Fund. The recommendations would include terms of reference spelling out governance and policy responsibilities consistent with the Global Fund’s existing policy framework, notably the Comprehensive Funding Policy.

C. Private Sector (including the private corporate sector and private foundations)

Strategic value

13. The private sector, which consists of corporations, foundations and individuals, could contribute up to 10 percent of the Global Fund’s resource needs in the long term, which would represent a significant new and additional source of resources, and substantially broaden the representation of Global Fund donors.

14. In addition to the potential magnitude of the resources, mobilizing private-sector contributions would result in the dual benefit of increased awareness of and support for the Global Fund among key
decision-makers and millions of voters and consumers in major donor markets. This, in turn, could create a more supportive environment for the contributions of donor Governments.

Key priority actions for the next four years

15. **Strengthen the Global Fund’s position as a strategic partner for private foundations**, by ensuring their continued, full support. Private foundations have contributed over US$ 250 million to date (primarily from the Bill and Melinda Gates Foundation), and have provided critical support for the resource mobilization activities of the Board, Secretariat and partners. Foundations account for the vast majority of private funds contributed to the Global Fund thus far, and are likely to continue to represent the largest source of private revenues in the future. The Secretariat’s focus should be on positioning the Global Fund as a strategic partner for major foundations to achieve shared goals for improving global public health. As such, the major actions in this area would be to do the following:
   i. Engage the Private Foundations delegation on the Board to identify future opportunities for direct contributions and *pro bono* support for the resource mobilization activities of the Board and Secretariat; and
   ii. Develop and implement a focused plan to engage large and emerging foundations that are currently not involved in supporting the Global Fund.

16. **Support the growth of (PRODUCT)RED and other consumer-focused fundraising initiatives.** (PRODUCT)RED raised over US$ 18 million in its first year, which points to the tremendous potential of consumer-focused fundraising in partnership with corporate marketing partners. Such efforts, while difficult to initiate, could represent a new and potentially significant source of private revenues. Thus, the Secretariat’s focus should be on supporting the growth of (PRODUCT)RED, while developing a handful of additional, global consumer initiatives, including the “Hope Spreads” campaign piloted in 2006 and planned for broader roll-out in 2007.

17. **Further develop and grow an integrated partnership platform to mobilize broad based support including financial contributions from corporations.** Corporations have contributed almost US$ 5 million in cash contributions, over US$ 25 million in *pro bono* support for Secretariat activities, and substantial co-investments to support Global Fund-financed programs. Secretariat efforts should focus on developing an integrated partnership platform to be launched in 2007 – the Global Fund Corporate Champions Program – and on further strengthening the value proposition for corporate engagement. As such, major actions in this area would be to do the following:
   i. Create opportunities for engaging the leadership of corporate partners;
   ii. Develop entry points and tools for the engagement of employees; and
   iii. Actively support in-country co-investment partnerships.

18. **Mobilize the support of high-net-worth and influential individuals, through major gifts and engagement in advocacy.** Individuals have contributed less than US$ 0.5 million to date to the Global Fund. However, these contributions have been unsolicited, and point to the significant potential of this source of revenues, if actively pursued. In addition, various influential individuals have been key advocates in supporting the overall resource mobilization goals of the Board and Secretariat, and could continue to play a vital role in the success of future fundraising activities. Thus, the Secretariat should explore a major gift and engagement program for such individuals, for launch in 2008.

19. **Cultivate policies, processes and attitudes at all levels of the Global Fund architecture that support the full engagement of the Private Sector.** Private sector donors have made the various contributions outlined above despite the lack of a supportive environment or favorable policies, and with minimal resources dedicated for private-sector engagement at the global or country levels. Thus, the Secretariat’s efforts should focus on supporting the development of supportive policies, processes and entry points for private contributions, as well as on providing high-level recognition of such contributions through the leadership and stakeholders of the Global Fund.
D. Innovative Financing Mechanisms

Strategic value

20. An increasing number of donors have come to recognize that the current limits on traditional ODA might yield a level of resources that is not sufficient to meet the achievement of the health-related MDGs. Consequently, individual countries or coalitions of countries have developed so-called "innovative financing mechanisms" with the aim of raising significant additional resources for development. During 2005-2006, innovative financing sources have gained significant momentum within the international development agenda. The establishment of UNITAID, financed largely by air-ticket levies in France and other countries, demonstrates both the interest in and the commitment of some donors to exploring innovative sources of financing. In addition, some donors have expressed interest in converting bilateral debt into resources for programs supported by the Global Fund (Global Fund Debt Conversion). Innovative financing mechanisms could further the achievement of the following resource mobilization objectives:

i. **Additionality**, by tapping into completely new sources of development financing;

ii. **Predictability**, by providing financing in a continuous manner, on a known schedule; and

iii. Tapping into **promising new and expanding** sources of resources, with significant potential benefit for years to come.

Key priority actions for the next four years

21. Maximize the opportunities presented by UNITAID, in close collaboration with the Board and Secretariat of UNITAID, its donor countries, and civil society. The Board should adopt a strategic plan for a long-term partnership with UNITAID, by exploring the synergies between the organizations to make increased resources available in the fight against the three diseases.

22. Implement a pilot project on Global Fund Debt Conversion; the Board should develop a strategic plan to extend this concept to release additional resources for other Fund programs.

E. Budgetary Implications

23. The budgetary implications for the implementation of this strategy are estimated to be **US$ 5,332,772** in 2007.

*Figure 2: Estimated budgetary implications for implementing the Resource Mobilization Strategy*

<table>
<thead>
<tr>
<th></th>
<th>2007 (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Donors</td>
<td>1,996,374</td>
</tr>
<tr>
<td>Private Sector</td>
<td>2,002,881</td>
</tr>
<tr>
<td>Cross-cutting communication capacity</td>
<td>805,268</td>
</tr>
<tr>
<td>Innovative Financing mechanisms</td>
<td>501,962</td>
</tr>
<tr>
<td>Investment returns</td>
<td>26,287</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5,332,772</strong></td>
</tr>
</tbody>
</table>
Part 3: Decision Point

Adoption of the Resource Mobilization Strategy

The Board adopts the Resource Mobilization Strategy contained in GF/B15/6, Annex 3, which is based on the recommendation of the Task Team on Resource Mobilization, and commits, where possible, to assisting the Secretariat in executing the strategy to achieve the agreed targets.

The material budgetary implications of this decision amount to US$ 5,332,772 in 2007, which includes an allocation for 18.5 positions in 2007.48

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48 The details of this supplementary budget for 2007 and the implications of this for 2008 were presented to the Finance and Audit Committee and endorsed by that committee. Further information is available in the Report of the Finance and Audit Committee (GF-B15-8).
Annex 4

PROPOSED AMENDMENTS TO GLOBAL FUND DOCUMENTS POLICY
(see Decision Point 13)

GLOBAL FUND DOCUMENTS POLICY

I. General Principles
The general policy of the Global Fund to Fight HIV/AIDS, TB and Malaria (the Fund) is to operate in a transparent and accountable manner, as outlined in section 3 of the Fund’s Framework Document. The Fund will make the fullest disclosure of records possible, consistent with the rights of individuals to privacy, the property rights of persons in trade secrets and confidential commercial or financial information, and the need of the Fund to promote frank internal deliberations. All Global Fund Board Members will also operate in an accountable manner and uphold the highest standards of ethical behavior and respect principles of transparency, while safeguarding confidentiality when required.

Information concerning the Fund’s decisions and operational activities will be made available to the public in the absence of a compelling reason for confidentiality. This policy is based on the premise that a) the effectiveness of projects supported by the Fund will be strengthened by public access to information, and b) broad availability to the public of information about the Fund’s projects will increase understanding and support of the Fund’s mission, and increase transparency and accountability.

II. Disclosure Categories

1. Records Posted on the Web Site of the Fund.
   a. Reports of each Board meeting, following their approval by the Board, together with the full text of all decisions approved by the Board and accompanying documents.
   b. List of current Members of the Board, Alternates, Members of Board delegations, Members of the Technical Review Panel, Membership of all Committees, Expert Committees and other Advisory Panels.
   d. Annual Report of the Fund
   e. Approved Budget of the Fund
   f. Proposal Applications for Approved Proposals
   g. Core Documents, as defined in the Board Operating Procedures.

2. Records to be Disclosed Upon Request.

Subject only to the exceptions set out below and any restrictions or mandates imposed by applicable law, all Fund records shall be available for public disclosure upon request.

III. Applicability

For the purpose of this policy, “Fund staff” shall mean Members of the Board and their respective countries or organizations, Secretariat staff, members and staff of the Technical Review Panel, Committees, contractors, and other individuals who are entitled to receive non-public Fund records based on their relationship with the Fund. This policy applies to the Fund institutionally and to all
Fund staff. For the purpose of this policy, “record” shall mean all recorded information maintained by the Fund.

IV. Exceptions

Notwithstanding the general principle requiring full disclosure of Fund records, there are limited legal and practical constraints which may affect the Fund’s ability to achieve full disclosure. These exceptions should only be triggered to protect the Fund’s interests and the legitimate interests of those who deal with the Fund. Wherever possible, third party submissions to the Fund should be free of the type of information subject to these exceptions, such as business proprietary information, intellectual property claims, and other information requiring confidential treatment. In the event that such information must be submitted to the Fund, it should be notified to the Fund prior to submission, accepted by the Fund for treatment under one of the following exceptions, and marked for segregated treatment.

The Fund shall not disclose to the public, absent action by the Board dictating otherwise:

1. Records relating to internal deliberative process, including internal notes, memoranda, and correspondence among Fund staff, including documentation relating to internal deliberative processes, which includes activities of the Technical Review Panel and the Committees; provided, however, that Fund staff may consult, as appropriate for the purpose of soliciting expert input, with institutions and individuals outside the Fund having specialized knowledge of specific issues and may share information with them prior to consideration by the Board or its Committees.

2. Internal documents written by Fund staff to their colleagues, supervisors or subordinates, unless those documents are intended for public circulation in accordance with Fund policies.

3. Privileged information relating to legal advice and matters in legal dispute or under negotiation.

4. Personal or employment-related information about Fund staff, other than information directly related to the financial operations and budget of the Fund.

5. Intellectual property, business proprietary, or other protected information submitted by third parties, properly disclosed to the Fund and accepted by the Fund for confidential treatment.

6. Information related to procurement processes which involve prequalification information submitted by prospective bidders, proposals or price quotations, or records of deliberative processes.

7. Recordings of meetings of the Board held in Restricted Session (referred to in this Policy as “Executive Session”) under Section 14 of the Global Fund’s Board Operating Procedures (see Section V. below).

If a record contains both disclosable and nondisclosable information, the nondisclosable information will be deleted and the remaining record will be disclosed, unless the two are so inextricably intertwined that it is not feasible to separate them or unless release of the disclosable information would compromise or impinge upon the nondisclosable portion of the record. If the text of a document would not be appropriate for public release with redacted treatment, if appropriate an abstract will be prepared and released in its place.

V. Board Meetings Held in Executive Session

The Board may, in its discretion, conduct its business in Executive Session, attended only by Board Members and Alternate Members, as provided in Section 14 of the Board Operating Procedures.
As is the case with all Board sessions, Executive Sessions shall be recorded to ensure the preservation of a full historic record of discussions is preserved. Following the adjournment of an Executive Session, the recording of such session shall be delivered immediately by the technical personnel with responsibility for it, to the Office of the Fund’s Inspector General for secure storage. Any request for access to Executive Session recordings shall be made to, and require the approval of, the Board.

The Board may decide not to record all or part of an Executive Session, or to discard a recording already made of an Executive Session.

VI. Cost

To the extent possible, and to the extent that it would be cost-effective, the costs of maintaining the above-mentioned policies should be recovered through the collection of reasonable fees for use of document reproduction equipment and for provision of copies of printed material, in accordance with cost recovery systems to be determined by the Fund, and which shall include provisions for the waiver of any such fees in appropriate circumstances.

VII. Implementation

The Fund secretariat shall be responsible for the detailed implementation of this general policy.