



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

**Sixteenth Board Meeting
Kunming, China, 12 – 13 November 2007**

**GF/B16/6
Decision**

REPORT OF THE POLICY AND STRATEGY COMMITTEE

OUTLINE:

1. This report summarizes the deliberations of the Policy and Strategy Committee (PSC) at its 8th meeting on 19-21 September 2007, and its resultant recommendations to the Sixteenth Board Meeting.

PART 1: INTRODUCTION

1. The Policy and Strategy Committee (PSC) met in Geneva on 19-21 September 2007 for its 8th meeting. The Chair was Ambassador Lennarth Hjelmåker (Sweden); the Vice Chair was Dr Paulo Teixeira (Brazil).
2. This report contains the following sections:
 - Items for Board decision:
 - Part 2: Rolling Continuation Channel – Eligibility for Accelerated Implementation;
 - Part 3: Rolling Continuation Channel – Architectural Issues;
 - Part 4: Grant Consolidation;
 - Part 5: Health Systems Strengthening;
 - Part 6: Affordable Medicines Facility - malaria;
 - Part 7: Constituency Guidelines;
 - Part 8: Partnership Forum;
 - Part 9: Key Performance Indicators;
 - Item for Board input:
 - Part 10: National Strategy Applications; and
 - Part 11: Items for information
3. This report has the following annexes:
 - Annex 1: Proposed Procedure as a Short-Term Measure to Address Architectural Limitations of the Rolling Continuation Channel: Interim Bridge Funding for Expiring Grants;
 - Annex 2: Guidelines on Constituency Processes.
4. The following documents are attached separately to the main body of this report:
 - Attachment 1 - Section 1: Affordable Medicines Facility - malaria: Letter of Roll Back Malaria Partnership to Global Fund
 - Attachment 1 - Section 2: Affordable Medicines Facility - malaria: Summary of the Roll Back Malaria Partnership's technical draft

PART 2: ROLLING CONTINUATION CHANNEL – ELIGIBILITY FOR ACCELERATED IMPLEMENTATION

Decision

Decision Point 1: Eligibility for Qualification for the Rolling Continuation Channel in Cases of Accelerated Implementation

The Board decides that the Secretariat may provide an exception from the decision that grants from the fourth and subsequent Rounds that have a term of less than five years are ineligible for qualification for the Rolling Continuation Channel (“RCC”) (GF/B15/DP18) in cases where a Country Coordinating Mechanism (“CCM”)¹ has applied for a grant of five years and the grant term is reduced at the request of the CCM due to accelerated implementation of the program funded by the grant.

This decision does not have material budgetary implications.

1. At its Fifteenth Meeting, the Board decided 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

¹ The reference to a Country Coordinating Mechanism (“CCM”) includes – in addition to a Country Coordinating Mechanism – Sub-National CCM, and a Regional Coordinating Mechanism, and in the case of a non-CCM proposal, a grant applicant.

Continuation Channel (RCC).² The Board decided to exclude grants of a shorter duration since it is difficult to measure their impact, a qualification criterion for the RCC. However this decision did not take into consideration situations in which a Principal Recipient (PR) has accelerated implementation of a grant, leading to a voluntary reduction of the grant term. Accelerated implementation usually only occurs with well-performing grants.

2. The PSC discussed allowing well-performing grants that originated from a five-year proposal, but which have, for positive reasons, implemented activities over a shorter term, to still be eligible for qualification for the RCC. Excluding such grants from consideration would equate to penalizing the Country Coordinating Mechanism (CCM) and PR for good performance and thus would be inconsistent with the original decision on the RCC.

3. The PSC agreed to recommend to the Board that grants with an original proposal term of five years but which have been implemented more quickly, leading to a voluntary reduction in the grant term, still be considered eligible for RCC. The PSC thus recommends **Decision Point 1, "Eligibility for Qualification for the Rolling Continuation Channel in Cases of Accelerated Implementation"**.

PART 3: ROLLING CONTINUATION CHANNEL – ARCHITECTURAL ISSUES

Decision

Decision Point 2: Use of Bridge Funding as a Short-Term Measure to Address Architectural Limitations of the Rolling Continuation Channel

The Board takes note of the challenges in operationalizing the Rolling Continuation Channel ("RCC")³ as set out in the Policy and Strategy Committee document GF/PSC8/05. The Board further notes that the Policy and Strategy Committee has requested the Secretariat to analyze further and develop a Quarterly Application Schedule architecture. It is expected that such long-term architecture changes will be presented to the Board for decision at the Seventeenth Board Meeting.

As an interim measure to address the specific challenges faced in operationalizing the RCC, the Board approves the procedure for providing additional funding for affected well-performing grants for a time-limited period as set out in Annex 1 (entitled "Interim Bridge Funding for Expiring Grants") to the Report of the Policy and Strategy Committee (GF/B16/6). This interim measure shall apply for relevant grants that fail to qualify for the RCC during the period from initial implementation of the RCC until the adoption by the Board, and full operationalization by the Secretariat, of long-term architectural changes which will address such RCC implementation challenges and that would otherwise experience a funding gap as a direct result of such failure to qualify for the RCC.

The budgetary implications of this decision point in 2008 are estimated to be US\$ 125,000, of which US\$ 75,000 is for Local Fund Agent fees, and US\$ 50,000 is for Secretariat staff costs, which includes an allocation for 0.3 of a position.

1. At its Fourteenth Meeting, the Board approved the framework for the establishment of a new funding channel, the RCC.⁴ This channel was established to provide an opportunity for CCMs to apply for continued funding for strongly-performing grants that are reaching the end of their terms.

² "Duration of Grants Eligible for Qualification for the Rolling Continuation Channel" (GF/B15/DP18).

³ Adopted at the Fourteenth Board Meeting (GF/B14/DP9).

⁴ See Board Decision GF/B14/DP9, "Establishment of a Rolling Continuation Channel."

2. The PSC discussed the following items at its 8th Meeting, which are detailed in the relevant PSC document:⁵
- i. The challenges resulting from the current RCC architecture;
 - ii. The ability of a “quarterly application schedule” to both address the RCC architectural challenges and enhance the Global Fund’s alignment and harmonization efforts; and
 - iii. A proposed interim measure (bridge funding) to address the RCC architectural challenges, while a longer-term solution is further analyzed and designed.
3. Based on these discussions the PSC:
- i. Requested the Secretariat to conduct further analysis and propose a design for a quarterly application schedule (and/or other architectural options), taking into account:
 - a. The ability of the proposed design to further support alignment and harmonization;
 - b. Any relevant recommendations/outcomes of the Technical Evaluation Reference Group (TERG) Five-Year Evaluation and the ongoing Executive Director’s Management Review; and
 - c. The results from initial RCC waves, and Technical Review Panel (TRP) feedback on those results;
 - ii. Will consider the outcomes of this detailed analysis at its meeting in the first quarter of 2008 and make a recommendation for decision at the Seventeenth Board Meeting; and
 - iii. Recommends a decision point – **Decision Point 2, “Use of Bridge Funding as a Short-Term Measure to Address Architectural Limitations of the Rolling Continuation Channel”** – addressing the terms and conditions of interim bridge funding for RCC “non-qualifiers,” recognizing that longer-term architectural improvements will not be implemented before 2009.

PART 4: GRANT CONSOLIDATION

Decision

Decision Point 3: Roll-Out of Grant Consolidation

The Board refers to its decision⁶ to authorize the Secretariat to modify the application of existing policies to the extent necessary to consolidate grants on a pilot basis. Noting the update on the Secretariat’s progress set out in the Policy and Strategy Committee document GF/PSC8/06, the Board reaffirms its commitment to achieving simplification and cost-efficiency in managing grants, and alignment with country systems, while maintaining adherence to the principle of performance-based funding. The Board accordingly delegates to the Secretariat the authority to:

- 1. work with countries, on a voluntary basis, to consolidate existing and new grants where doing so would be consistent with the principles listed above;*
- 2. exercise flexibility in the application of existing policies, including but not limited to the Phase 2 Decision-Making and the Rolling Continuation Channel policies and procedures,⁷ where necessary, revising requirements that could inhibit grant consolidation; and*
- 3. approve bridge funding, in limited cases, by employing Phase 2 funds not yet approved by the Board, where necessary to allow for the alignment of end dates of grants that are being consolidated, provided that the amount of such bridge funding is reported to the Board on each occasion that it is approved.*

⁵ “Architectural Issues Affecting the Rolling Continuation Channel” (GF/PSC8/05).

⁶ GF/B14/DP14.

⁷ Phase 2 Decision-Making Policies and Procedures (GF/B15/DP48) and the Board Decision entitled “Establishment of the Rolling Continuation Channel” (GF/B14/DP9), as amended from time to time.

The Board requests the Portfolio Committee to ensure that application forms and guidelines allow for the submission of consolidated applications through the Rounds-Based Channel and Rolling Continuation Channel.

The budgetary implications of this decision point in 2008 are estimated to be up to US\$ 1.2 million to fund up to 4.5 full-time equivalent Global Fund staff to prepare for consolidation and other administrative costs to support country processes.

1. At its Fourteenth Meeting, the Board authorized a Grant Consolidation Pilot Project to obtain useful experience that could inform the development of policies for grant consolidation.
 - i. As a reminder, the term “grant consolidation” applies to situations where there are multiple grants implemented by the same PR for the same proposal component.⁸ The purpose of grant consolidation includes streamlining grant management for PRs and the Secretariat, as well as enabling increased alignment with national plans, strategies and systems.
 - ii. The Secretariat carried out the Pilot Project, aiming to implement grant consolidation in a number of geographies,⁹ and reported on it at the 8th PSC and Portfolio Committee (PC) Meetings.

2. The PSC discussed the following items at its 8th Meeting, which are detailed in the relevant PSC document:¹⁰
 - i. A status update on the Grant Consolidation Pilot Project;
 - ii. A summary of the key lessons learned from it thus far;
 - iii. An analysis of the added value and feasibility of grant consolidation under different circumstances; and
 - iv. A proposal for a gradual roll-out of grant consolidation across the Global Fund portfolio, with relevant policy changes and implications.

3. Based on these discussions the PSC recommends to:
 - i. Reaffirm the Board’s commitment to achieving simplification and cost-efficiency in managing grants, and alignment with country systems, while maintaining adherence to the principle of performance-based funding;
 - ii. Delegate authority to the Secretariat to:
 - a) Consolidate existing and new grants on a voluntary basis where consistent with the above principles; and
 - b) Exercise flexibility in the application of existing policies and, in limited cases where appropriate, approve bridge funding to allow alignment of end dates of grants that are being consolidated (the amount of such bridge funding must be reported to the Board); and
 - c) Request the PC to ensure that application forms and guidelines allow for the voluntary consolidation of grants at the application preparation stage.

4. The PSC thus recommends **Decision Point 3, “Roll-Out of Grant Consolidation”**.

PART 5: HEALTH SYSTEMS STRENGTHENING

Decision

Decision Point 4: Strategic Approach to Health Systems Strengthening

[Decision point currently under development – to be made available when ready]

⁸ It expressly does not involve the consolidation of grants implemented by different PRs or covering different proposal components.

⁹ Cambodia, Ghana, Multi-country Western Pacific islands including the Solomon Islands and Vanuatu, Peru, Vietnam, and Zambia.

¹⁰ “Grant Consolidation: Lessons Learned from Pilot Project and Recommendations for Roll-Out” (GF/PSC8/06).

1. At its Fifteenth Meeting the Board requested the PSC to consider the following with respect to the Global Fund's support of health systems strengthening (HSS) to improve HIV/AIDS, tuberculosis and malaria (ATM) outcomes:
 - i. The possible use and nature of three "funding parameters" for HSS; and
 - ii. The question of whether or not to establish a separate HSS component.
2. The PSC discussed and reaffirmed the importance of Global Fund financing for HSS to help health systems overcome constraints to the achievement of improved ATM outcomes – in such a way that system-wide effects are achieved and that other programs benefit.
3. The PSC supported the Secretariat's recommendations¹¹ for:
 - i. The parameters for allowable HSS activities;
 - ii. Two new supportive recommendations/requirements for HSS funding; and
 - iii. The approach to HSS funding ceilings and floors.
4. The PSC recommends a **decision point** that summarizes its agreement on the issue. This text is currently being developed through an open process (which includes PSC members and the Secretariat) and **will be made available to the Board when ready**.

PART 6: AFFORDABLE MEDICINES FACILITY - MALARIA

Decision

Decision Point 5: Hosting of the Affordable Medicines Facility - malaria

The Board acknowledges the letter from the Roll Back Malaria ("RBM") Partnership, dated August 16, 2007 requesting the Global Fund to consider hosting the Affordable Medicines Facility - malaria ("AMFm").

Based on the information provided to date, the Board supports in principle:

- ***the objectives and principles of AMFm; and***
- ***the idea of hosting the AMFm as a Global Fund business line, based on the complementarity and synergies of the Global Fund's objectives and business model with many design elements of the AMFm.***

To facilitate a final Board decision on hosting the AMFm, the Board requests the Secretariat, under the oversight of the PSC, to develop and present to the Board at its Seventeenth Meeting a business model and plan for hosting the AMFm within the Global Fund, taking into account operational and architectural considerations and consultations with the RBM Taskforce, UNITAID, key recipient countries and other relevant stakeholders.

The budgetary implications of this decision point in 2008 are estimated to be US\$ 675,000, which includes an allocation for 2 positions.

1. The PSC discussed the request by the Roll Back Malaria (RBM) Partnership¹² to consider hosting the Affordable Medicines Facility - malaria ("AMFm"), previously called the "Global ACT Subsidy". The objective of the AMFm is to make effective antimalarial drugs (ACTs) accessible and affordable to the vast majority of malaria patients.

¹¹ See "Health Systems Strengthening" (GF/PSC8/03).

¹² See "Affordable Medicines Facility - malaria: Letter of the Roll Back Malaria partnership to the Global Fund" (GF/B16/6 – Attachment 1, section 1) for more detail.

2. At the moment, only 10 million of the estimated 400 million anti-malarials distributed through the private sector are the WHO recommended ACTs (compared to 90 of a total of 150 million treatments distributed through the public sector). The principal barrier for a larger uptake of ACTs is their relatively high price in low income settings.

3. Based on recommendations by the Institute of Medicine, the RBM Partnership developed the concept of an ACT buyer subsidy with the objective of increasing overall use of ACTs and driving monotherapies and ineffective drugs from the market. In the proposed design, the AMFm would provide co-payments to eligible first-line buyers of ACTs to significantly reduce the retail price of ACTs. The core activities of the AMFm would be price negotiations; setting terms for access, distribution, order management and co-payment; and coordinating and financing supporting interventions for the safe roll-out of ACTs.¹³

4. At its meeting the PSC reviewed and discussed the AMFm and the RBM Partnership's request expressed in a letter to the Global Fund to consider hosting the AMFm as a business line within the Global Fund. The Secretariat provided an analysis of the rationale for such a potential hosting arrangement, and of synergies and open issues in integrating the AMFm and Global Fund architecture.¹⁴

5. The PSC expressed its strong support for the AMFm as a way to rapidly increase ACT treatment by accessing private sector distribution channels, and the principal idea of the Global Fund hosting the AMFm. In order to address the complexities involved in implementing the AMFm within the Global Fund model prior to a final decision by the Board in April, the PSC requested that a reference group be established to provide input into the Secretariat's work.

6. Based on these discussions the PSC recommends to the Board to:

- i. Acknowledge the letter from the RBM Partnership, dated 16 August 2007 requesting the Global Fund to consider hosting the AMFm;
- ii. Support in principle the objectives and principles of AMFm, and the idea of hosting the AMFm as a Global Fund business line, based on the complementarity and synergies of the Global Fund's objectives and business model with many design elements of the AMFm; and
- iii. Request the Secretariat, under the oversight of the PSC, to develop and present to the Board for final decision at its Seventeenth Meeting a business model and plan for hosting the AMFm within the Global Fund, taking into account operational and architectural considerations and consultations with the RBM Taskforce, UNITAID, key recipient countries and other relevant stakeholders.

7. These recommendations appear in **Decision Point 5, "Hosting of the Affordable Medicines Facility - malaria"**.

PART 7: CONSTITUENCY GUIDELINES

Decision

Decision Point 6: Approval of Guidelines on Constituency Processes

The Board approves the Guidelines on Constituency Processes, as detailed in Annex 2 of paper GF/B16/6, and requests that Board Members, Alternate Board Members and Focal Points, along with the Secretariat, ensure these guidelines are shared widely within their

¹³ See "Affordable Medicines Facility - malaria: Summary of the Roll Back Malaria technical draft" (GF/B16/6 – Attachment 1, section 2) for more detail.

¹⁴ See "The Global ACT Subsidy/Affordable Medicines Facility for Malaria and the Global Fund" (GF/PSC8/09).

respective constituencies, and used to guide and strengthen internal constituency processes.

The budgetary implications of this decision point in 2008 are estimated to be US\$ 96,000 which includes an allocation for 2 short-term positions.

1. The PSC discussed an updated version of the constituency guidelines which are intended to provide support to the Global Fund Board constituencies in the (s)election of a Board Member, Alternate and Focal Point, as well as information on the composition of Board delegations, engagement at the committee level and best-practice examples of constituency communication mechanisms.¹⁵
2. The PSC welcomed the much more comprehensive approach and noted the vital importance of good constituency functioning to the credibility and quality of the governance system. The PSC agreed that the Secretariat should provide increased support to constituencies and noted that costs for this would not exceed US\$ 100,000 with only about US\$ 40,000 being a recurring cost. Committee members asked that the 'development points' be removed from the document since they did not add much to the guidance provided.
3. The PSC recommends **Decision Point 6, "Approval of Guidelines on Constituency Processes"**.

PART 8: PARTNERSHIP FORUM

Decision

Decision Point 7: Timing of the Partnership Forum

The Board amends the first sentence of Article 6.3 of the By-laws as follows:

"The Partnership Forum will meet biannually, at any time during even calendar years at least once every two years."

This decision does not have material budgetary implications.

1. The PSC discussed the status of the planning and preparation for the Partnership Forum (PF) 2008 including:¹⁶
 - i. An overview of initial activities to start the planning for the PF 2008, including appointment of Chair and Vice Chair and membership of the Partnership Forum Steering Committee (PFSC);
 - ii. Initial ideas for themes and activities; and
 - iii. Options for timing and venue, and a Secretariat recommendation on a proposed venue and timing.
2. The PSC welcomed the appointment of Shaun Mellors (Communities) and Pierre Blais (Canada) as Chair and Vice Chair respectively of the PFSC and agreed with the Secretariat that planning for the event in the latter half of 2008 was appropriate. The PSC was asked to provide additional members for the PFSC, which it did. The PFSC confirmed that the PSC would be kept informed of developments in the planning.

¹⁵ See "Guidelines on Constituency Processes" (GF/PSC8/11).

¹⁶ See "Partnership Forum 2008" (GF/PSC8/13).

3. The PSC recommends a decision point – **Decision Point 7, “Timing of the Partnership Forum”** – to alter the By-laws to allow for the PF to be held biannually at any time during the calendar year rather than within a strict two-year period from the previous PF.

PART 9: KEY PERFORMANCE INDICATORS

Decision

Decision Point 8: Amendment of Assessment Process for Key Performance Indicators

The Board amends the Key Performance Indicator (“KPI”) assessment process approved in GF/B15/DP34 as follows:

- (a) KPIs for the following year shall be developed and approved by the Policy and Strategy Committee (“PSC”). The PSC shall present the approved KPIs at the last Board meeting of each calendar year.***
- (b) KPIs for 2008 shall exceptionally be reviewed at the PSC’s meeting in the first quarter of 2008.***

All other requirements and timelines set forth in decision GF/B15/DP34 remain unchanged. The PSC shall accordingly assess results achieved against KPIs during the previous year and report on them at the first Board meeting of each calendar year.

This decision does not have material budgetary implications.

1. The PSC discussed:¹⁷
 - i. A mid-year review of progress towards reaching the 2007 corporate Key Performance Indicators (KPIs) for the Global Fund; and
 - ii. A number of anticipated revisions to the KPIs for 2008.
2. The PSC underlined that the KPIs measure the Global Fund’s overall performance (complemented with Secretariat-level management indicators) and constitute part of the criteria used for the Executive Director’s evaluation. It also stated that the revised KPIs need to cover existing gaps such as the involvement of civil society.
3. The PSC noted that with the implementation of the Global Fund’s strategy still in its early stages and the results of the management review and Study Area 1 of the Five Year Evaluation due in the last quarter of 2007, it was premature to approve the 2008 KPIs at the Sixteenth Board Meeting. In view of this, the PSC recommends that, as a one-off exception to the KPI development process, the KPIs for 2008 be set at the PSC’s first meeting in 2008.
4. In addition, the PSC recommends that the KPI development process be amended to delegate authority to the PSC not only to develop but also to approve the KPIs for each year. The PSC will continue to report to the Board on approved KPIs and on its assessment of results against KPIs. These recommendations appear in **Decision Point 8, “Amendment of Assessment Process for Key Performance Indicators”**.

PART 10: NATIONAL STRATEGY APPLICATIONS

Board Input

1. The Board decided in principle at its Fifteenth Meeting to establish a “Modified Application Process for Supporting Country Programs”, called “National Strategy Applications”, aimed at

¹⁷ “Mid-Year Report on Progress Against 2007 Key Performance Targets and Proposed Review of Key Performance Indicators for 2008” (GF/PSC8/15).

increasing aid effectiveness by having partners mobilize around a single common agenda – the development, financing and implementation of robust national strategies. Specifically, the Board decision stated that:

- i. National Strategy Applications would be requests for funding consisting of an existing national strategy – which has been validated¹⁸ by an independent review mechanism – together with minimal additional information;
- ii. The validation underlying the National Strategy Applications procedure should be based on commonly-agreed validation criteria and a commonly-agreed set of conditions for the validation approach; and
- iii. The Global Fund Board called “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.”

2. The PSC expressed support for a number of fundamental principles related to the validation of national strategies:

- i. The criteria proposed by the Secretariat (with some suggested amendments) against which to perform the validation of national strategies;¹⁹
- ii. The conditions proposed by the Secretariat to ensure the validation approach is adequate and sufficiently credible for all stakeholders, including for the purpose of underpinning funding decisions;²⁰ and
- iii. The principle of a validation approach that combines a country-led self-assessment with an external, independent validation element.

3. The PSC reaffirmed the Board’s call upon all partners to develop a shared validation approach for national strategies. It recognized this requires joint work among partners, including active collaboration with relevant technical partners. The PSC stressed the urgency of partners working together – with clear leadership and accountability – to develop and set up such a joint validation approach.²¹

4. In discussing possible ways to take this workstream forward, the PSC recognized recent developments and initiatives to increase collaboration and harmonization between different stakeholders – in particular the “H8 process”²² and the International Health Partnership²³ – and noted that these could offer an effective platform for discussion and collaboration towards concrete outputs within an agreed framework of accountability. The PSC also acknowledged the discussions on this topic in other governance bodies, in particular the Programme Coordinating Board of UNAIDS.

5. The PSC highlighted the need for the Executive Director and those PSC members who are part of the H8 process to stress to the H8 the urgency of moving the National Strategy Applications agenda forward, ensuring that relevant actions are reflected within the H8’s framework of accountability and workplans, with clearly-defined deliverables and timelines. The PSC stated that the Executive Director (or his representative(s)) and other partners should be guided by the PSC’s

¹⁸ The term “validation” is used instead of “certification” (as in Board decision point) because it has been found to better convey the spirit of the approach intended. In particular, it makes clear the idea that the validation would be done *against a set of criteria*.

¹⁹ See “National Strategy Applications”, GF/PSC8/04.

²⁰ Ibid.

²¹ The PSC also recognized that Global Fund-architecture aspects of the implementation of the decision on National Strategy Applications (e.g., the role of the Technical Review Panel) can only be addressed once the validation criteria and the validation approach have been developed with partners.

²² See http://www.theglobalfund.org/en/in_action/events/globalhealthleaders_meeting2007/ for a summary note of the first “H8” meeting in July 2007.

²³ See “International Health Partnership – A Global ‘Compact’ for achieving the Health Millennium Development Goals”, signed consensus statement, 5 September 2007, London and also <http://www.dfid.gov.uk/news/files/ihp/default.asp> for a note on the launch of the International Health Partnership.

recommendations (as noted above) on the proposed criteria for validation of national strategies and on the proposed conditions for the validation approach.

PART 11: ITEMS FOR INFORMATION

Information

Definition of the Term “Civil Society”

1. The PSC agreed on the United Nations definition of “civil society” proposed in paper GF/PSC8/07.

Dual-Track Financing (DTF)

2. The PSC acknowledged the Secretariat’s analyses on the implications of DTF²⁴ and reaffirmed its commitment to the original Board decision.²⁵ The PSC requested the Secretariat to develop a broader set of options for consideration *alongside* DTF for achieving the objectives noted in the original Board decision on DTF.

Update on the UNITAID Roadmap and Existing Joint Initiatives

3. Roadmap development (overseen by a joint PSC/UNITAID working group) has identified three areas for future UNITAID collaboration: (i) coordination and sharing of strategic information; (ii) ad hoc joint interventions of product or financing contributions; and (iii) long-term commitments across market niches. The PSC noted an extension of the timeline for completion to April 2008 to allow this framework to be further refined. Implementation is underway for the UNITAID-funded scale-up of tuberculosis treatments and legal agreements for the scale up of malaria grants and the UNITAID Round 6 contribution have been drafted, with sign-off expected by the end of October 2007.²⁶ .

Request from the Roll Back Malaria (RBM) and Stop TB (STB) Partnerships for Non-Voting Board Seats

4. Subsequent to a request from the RBM and STB Partnerships for non-voting Board seats on the Global Fund Board, the Global Fund Board Chair asked the PSC to consider the issue.²⁷ The PSC was very reluctant to extend the size of the Board. Although members recognized the importance of the relationships with the RBM and STB Partnerships, they did not see that these relationships were dependent on having non-voting seats on the Board. The PSC asked the Secretariat to do more to increase the involvement and visibility of the two partnerships in all relevant Global Fund activities and to revise existing memoranda of understanding (MOUs) to strengthen the partnership. In addition, WHO reassured the PSC that it would do more to strengthen the two partnerships' participation in Board activities. .

Donor Seat Allocation

5. As part of the follow up to the Resource Mobilization Strategy, the PSC discussed the issue of donor seat allocation.²⁸ The majority of the PSC recommended maintaining the current number of seats and working on variations of how to allocate them. The PSC asked the Secretariat to conduct further analysis and to detail the options of how to induct new donors and to present the results to the PSC meeting in the first quarter of 2008.

Enhanced Financial Reporting

²⁴ See “Analysis of Dual-Track Financing” (GF/PSC8/02).

²⁵ GF/B15/DP14.

²⁶ See “Update on UNITAID-Global Fund Roadmap and Existing Joint Ventures” (GF/PSC8/08).

²⁷ See “Request for Non-Voting Board Member Status for the Roll Back Malaria and Stop TB Partnerships” (GF/PSC8/18).

²⁸ See “Donor Seat Allocation” (GF/PSC8/14).

6. The PSC confirmed the implementation of Enhanced Financial Reporting²⁹ by the Secretariat starting in 2008. The PSC requested the Secretariat in this context to:
- i. Ensure that implementation of Enhanced Financial Reporting is aligned with country reporting cycles, and as light as possible and useful for countries and national program management; and
 - ii. Provide capacity building and training for PRs on Enhanced Financial Reporting, as needed.

²⁹ See "Enhanced Financial Reporting" (GF/PSC8/16).