



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Seventeenth Board Meeting
Geneva, 28 – 29 April 2008

GF/B17/2
Decision

REPORT OF THE SIXTEENTH BOARD MEETING

OUTLINE:

This document presents the draft Report of the Sixteenth Board Meeting and includes all decisions made at that meeting. The Report of the Sixteenth Board Meeting is subject to ratification by the Board of the Global Fund at its Seventeenth Board Meeting, 28 – 29 April 2008, in Geneva, Switzerland.

Accompanying documentation from the Sixteenth Board Meeting is available at www.theglobalfund.org or by writing to board@theglobalfund.org.

Decision Points are clearly indicated.

Decision Point:

The Board approves the Report of the Sixteenth Board Meeting.

There are no budgetary implications for this decision.

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Agenda Item 1: Introduction and Welcome

1. The Board Chair, Mr Rajat Gupta, opened the Sixteenth Board Meeting with an acknowledgement and appreciation of the Chinese Government for easing the travel restrictions the country had in place for HIV positive people and for facilitating the attendance of all participants. He reported that Global Fund leadership had successful meetings with the Chinese Government in Beijing in the week before the Board Meeting and that he was happy to see that the Chinese government would move forward with changes to remove short-term travel restrictions permanently from its laws.

2. The Chair introduced and welcomed new Board Members and expressed gratitude to former Board Chair Dr Carol Jacobs and former Board Vice-Chair Dr Lieve Franssen for leaving a legacy of success on which to build. The Chair recounted the successful Second Replenishment of the Global Fund, which was held in September 2007 in Berlin, and acknowledged the leadership of new Executive Director Dr Michel Kazatchkine as another success.

3. The Chair expressed his enthusiasm about the fact that gender issues were on the agenda and prepared the Board for a very open discussion at the end of the meeting about the future strategic direction the organization should take regarding the three diseases. He characterized this as an opening discussion where no decisions would be made, but rather an opportunity to engage in a dialogue to try to figure out a way to go forward. The discussions would be led by the Global Fund's technical partners – the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Stop TB and Roll Back Malaria (RBM) partnerships.

4. In her welcoming remarks the Board Vice-Chair Ms Elizabeth Mataka thanked the Chinese Government for showing a very cooperative spirit in meeting the needs of the community of people living with the diseases. She recognized that stigma is a very big problem for people living with the diseases and remains a challenge in terms of dealing with long-term travel and movement. She highlighted the discussion of gender as a particularly important agenda item and one that she looked forward to working on during her tenure as Vice-Chair. She also stated that her main priority as Vice-Chair would be to increase demand so that the disparity between global need and global demand could be decreased.

Agenda Item 2: Appointment of the Rapporteur

Approval of the Agenda

Approval of the Report of the Fifteenth Board Meeting

1. The Chair informed the Board that Mr Luis Riera Figueras from the European Commission delegation had agreed to act as Rapporteur for the Sixteenth Board Meeting. The decision point was approved without discussion.

2. The Chair presented the agenda for the Sixteenth Board Meeting and pointed out that the agenda had been designed so that the main decisions would be taken early. The decision point was approved without discussion.

3. The Chair informed the Board that there had been several amendments to the Report of the Fifteenth Board Meeting from the U.S. delegation and that there

were minor amendments from the former Vice-Chair of the Ethics Committee. The Rapporteur for the Fifteenth Board Meeting in April 2007, Mr Alexander Konuzin from the Eastern Europe delegation, had reviewed and approved the amended report from the Fifteenth Board Meeting as an accurate reflection of the meeting's proceedings. The decision point was approved without discussion.

Decision Point GF/B16/DP1

Mr Luis Riera Figueras from the European Commission (Belgium, Finland, Portugal) constituency is designated as Rapporteur for the Sixteenth Board Meeting.

This decision does not have material budgetary implications.

Decision Point GF/B16/DP2

The agenda for the Sixteenth Board Meeting (GF/B16/1 Revision 2) is approved.

This decision does not have material budgetary implications.

Decision Point GF/B16/DP3

The report of the Fifteenth Board Meeting (GF/B16/2) is approved, as amended at the Sixteenth Board meeting.

This decision does not have material budgetary implications.

Agenda Item 3: Report of the Executive Director

1. The Executive Director, Dr Michel Kazatchkine, delivered a report covering three areas: an operations update, a performance report and a report on the management review.

2. The Executive Director thanked the government of China for hosting the Sixteenth Board Meeting, noting that the country is challenged by significant and highly complex AIDS and TB epidemics and also faces challenges with regard to malaria. The signing, a week before the Board Meeting, of the Round 6 HIV grant for China which focuses on capacity building for civil society was highlighted as a particular achievement since effective national responses to AIDS require the involvement of civil society.

3. The Executive Director stated that the Board meeting comes at a time of significant change and opportunity within the Global Fund and on the international health landscape. Major new resources are now at the Global Fund's disposal. The first component of the Five Year Evaluation has provided strong guidance, as well as the Organizational and Management Review, and the strategy approved by the Board at its April 2007 meeting. In responding to these challenges and opportunities, the Executive Director stated that he hopes to strike the right balance between

continuity and change and stated that the joint task for this Board Meeting is to shape the Global Fund for the next three years.

4. Key personnel changes in 2007 included the departures of Dr Bernhard Schwartländer, Director of Performance Evaluation and Policy, to become the UNAIDS representative in China; and Dr Nosa Orobato, Director of Operations, to take a senior position with the Health Metrics Network. The Executive Director introduced Mr John Parsons, who will assume the position of Inspector General (IG) in January 2008. The Executive Director also announced that Dr Debrework Zewdie, head of the World Bank's AIDS program, would serve as Interim Director of Operations for a time-limited period of six months.

5. In the subsequent discussion and question period, delegates thanked the Executive Director for his report and applauded his attention to language diversity at all levels of the Global Fund. A number of delegates spoke about the importance of Health Systems Strengthening (HSS) and the need to reflect its importance in future rounds since giving attention to HSS will improve the performance of grants.

6. A number of delegates commented on the Management Review and the Executive Director's restructuring of the Secretariat. Although most welcomed the review and supported the direction of the restructuring, concerns were raised about the method used for determining staffing needs for the future. Concerns were also raised about staff retention and morale during the restructuring process and about how many staff members are living with the diseases and the balance of regional representation among staff.

7. Other areas for question or concern included the need for further information on the Early Alert and Response System (EARS) and the Price Reporting Mechanism (PRM). A couple of delegates also raised concerns about the organization's support of upper middle income countries, stating that the Global Fund may not be the appropriate funding mechanism to support these countries. In terms of partnerships, several delegates supported the Executive Director's emphasis on partnership building, but felt that more should be done to strengthen partnerships at the country level in order to build quality demand and to increase trust between the Secretariat and the implementers of grants.

8. In responding to a number of the comments and questions, the Executive Director thanked delegates for their comments on linguistic diversity and noted that as of the Sixteenth Board Meeting all decision points would be translated into the six working languages of the United Nations.

9. With regard to the management review and the restructuring of the Secretariat, the Executive Director agreed with delegates that methods other than the benchmarking of funds disbursed per staff member could be used for measuring efficiency and determining future staffing needs. It was selected as a relevant efficiency measure because the Global Fund is a financial institution and this measure allows it to be compared easily with other organizations of its type. In terms of staffing issues, the Executive Director stated that he could not give concrete numbers for how many members of staff are living with HIV since some staff members have disclosed their status, while others have chosen not to. On the issue of regional diversity, the Executive Director encouraged Board Members to encourage people in their regions to apply to the many job opportunities at the Global Fund that will be available in 2008.

10. Concerning the PRM, the Executive Director explained that the Secretariat only has information on eight countries. However, the Secretariat is now requiring countries to fully fill in the information on the PRM before funds are disbursed. The Secretariat hopes that this process will lead to better information about the commodities being bought and lead to better planning and better transparency.

11. The Executive Director also stated that the Secretariat is working with all countries that will not receive funding during Round 7 to ensure continuity of funding until the Round 8 proposals process is completed.

Agenda Item 4: Report of the Second Voluntary Replenishment

1. The Vice-Chair of the Replenishment, Mr Sven Sandström, gave a presentation on the outcome of the Second Voluntary Replenishment Conference that was held in September 2007 in Berlin. The presentation also focused on the factors contributing to the outcome, future challenges and the Mid-term Replenishment meeting in 2009.

2. There was no discussion of this item.

Agenda Item 5: Funds Available for Round 7

1. Mr Barry Greene, Chief Financial Officer, gave a brief presentation on the funds available for Round 7, stating that the amount was calculated in accordance with the Comprehensive Funding Policy and takes into account the amount of pledges to be contributed by July 2008. The amount of funds available was US\$ 1.218 billion, which is sufficient to fully fund Phase 1 of all Round 7 proposals recommended by the Technical Review Panel (TRP) totalling US\$ 1.119 billion.

2. There was no discussion of this item.

Agenda Item 6: Round 7: Report of the Technical Review Panel

1. Professor Peter Godfrey-Faussett, Chair of the TRP, gave a presentation on the outcome of Round 7. Of the 150 eligible proposals, 73 were recommended for funding by the TRP, with a total commitment of US\$ 1.119 billion. This makes Round 7 the largest Phase 1 round to date. Malaria proposals greatly improved thanks to the efforts of RBM and other partners.

2. The Chair of the TRP noted some challenges that have arisen with regard to well-organized efforts in proposal development, including the need to continue to strengthen capacity in-country so that local capacity exists in public health and grant writing. Disappointingly, some countries have had multiple, consecutive proposals turned down despite the fact that guidance has been given. Appropriate technical assistance needs to be secured in these cases. Regional proposals also caused some difficulty since they often fail to demonstrate how value is added across regions over and above what could be achieved in individual countries.

3. The Chair of the TRP also commented on the First Wave of the Rolling Continuation Channel (RCC) and how it worked alongside Round 7. The RCC panel

was made up of current and/or former members of the TRP. The TRP Chair noted that it is a challenge for applicants to figure out how best to navigate the Global Fund's different funding mechanisms.

4. During discussion, a number of delegates expressed concern about the 49-percent approval rate for Round 7 and about technical assistance that may be needed to help countries that repeatedly fail to get funding. Although delegates praised the work of the TRP and valued its independence, some questioned whether there was enough flexibility in the system in terms of understanding specific country contexts. Some delegates wondered whether language and translation issues were creating problems for some countries and regions. Many delegates were concerned about the fact that regional proposals did so poorly. A specific question was raised about the success rate in the Latin America and Caribbean Region.

5. Questions were also raised about the success rate of proposals that included co-investment from the private sector and civil society. Delegates were also concerned about how to improve the quality of TB and HIV/AIDS proposals. A couple of delegates asked whether an occasional or periodic external quality assurance check would add any value to the TRP process and whether TRP forms needed to be reviewed or improved.

6. The Chair of the Board recommended that the Secretariat respond to questions about specific countries and regions in writing, since it would be difficult to address the specifics at the Board Meeting.

7. In response to the discussion, the Executive Director stated that he shared the concerns about language and translation issues creating problems for some countries and regions. The Executive Director also noted that the Secretariat pays special attention to countries that have failed in Round 7 and to those that may be facing a shortage of drugs. There are three ways for the Secretariat to respond: by reprogramming previous grants, by continuing funding under the continuity of care policy and by working with partners to prevent a shortage of drugs.

8. The Chair of the TRP reiterated that the TRP shared the concerns about the 50 percent success rate. He said that the TRP feels itself constrained under its mandate. The criteria for review are published in the TRP's terms of reference and include technical criteria, but are not needs-based. The Chair of the TRP explained that it is not within the TRP's mandate to judge proposals based on a country's need.

9. In response to questions about quality assurance, the TRP Chair stated that the TRP has had two external reviews to date, both the Euro Health Group and the Five Year Evaluation Panel sat in on the latest Round decision making process. The TRP would be happy to have further evaluations. In response to comments about whether the TRP understands the operational context within countries, the TRP Chair stated that that is not usually the reason that proposals are not funded. Proposals usually fail to get funded because of the way the proposal is put together.

10. The decision point on funding for Round 7 was presented to the Board. A friendly amendment to the decision point to extend the time period for clarifications from four weeks to eight weeks was proposed and accepted by the Board. The decision point was passed as amended. A second decision point on lessons learned in Round 7 was presented to the Board. The decision point was approved.

Decision Point GF/B16/DP4

1. The Board approves for funding for an initial two years, subject to paragraphs 2 and 3 below, the Round 7 proposals recommended for funding by the Technical Review Panel (TRP) and listed in Annex 2 to the Report of the TRP and Secretariat on Round 7 Proposals (GF/B16/5) as:

- i. 'Category 1';**
- ii. 'Category 2'; and**
- iii. 'Category 2B',**

with the clear understanding that the grant amounts requested for the "Phase 1 Period" in such Annex are maximum upper ceilings subject to TRP clarifications and grant negotiations rather than final approved grant amounts.

2. The applicants whose proposals are recommended for funding as 'Category 1' shall conclude the TRP clarifications process, as indicated by the written approval of the Chair and/or Vice Chair of the TRP, not later than eight weeks after receipt of notification in writing by the Secretariat to the applicant of the Board's decision.

3. The applicants whose proposals are recommended for funding as 'Category 2 and Category 2B' shall:

- i. provide an initial detailed written response to the requested TRP clarifications and adjustments by not later than six weeks after receipt of notification in writing by the Secretariat to the applicant of the Board's decision; and**
- ii. conclude the TRP clarifications process, as indicated by the written approval of the Chair and Vice Chair of the TRP, not later than three months from the Secretariat's receipt of the applicant's initial detailed response to the issues raised for clarification and/or adjustment.**

4. The Board declines to approve for funding those proposals categorized by the TRP as 'Category 3' as indicated in Annex 2 to GF/B16/5, although such applicants are encouraged to resubmit a proposal in a future funding round after major revision of the relevant proposal.

5. The Board declines to approve for funding those proposals categorized by the TRP as 'Category 4' as indicated in Annex 2 to GF/B16/5.

This decision does not have material budgetary implications (beyond what is already included in the budget).

Decision Point GF/B16/DP5

The Board acknowledges the lessons learned by the TRP and Secretariat during the Round 7 proposals process as presented in the Report of Technical Review Panel and the Secretariat on Round 7 Proposals (GF/B16/5), and requests the Portfolio Committee to include appropriate revisions to the Proposal Form and Guidelines for Round 8 by 1 March 2008.

This decision does not have material budgetary implications.

Agenda Item 7: Technical Evaluation Reference Group Five-Year Evaluation

1. Professor Rolf Korte and Dr Rose Leke, Chair and Vice-Chair of the Technical Evaluation Reference Group (TERG) presented recommendations from Study Area 1 (Global Fund Organizational Efficiency and Effectiveness) of the Five-Year Evaluation. They suggested that Board Members review the full report even though TERG had provided a summary of primary recommendations. Progress on Study Areas 2 and 3 is on track. A final synthesis report of the Five-Year Evaluation is expected in November 2008 which will incorporate all findings.

2. Recommendations of Study Area 1 addressed strategy, partnerships, governance, organizational structure and processes, grant management, and mission-critical systems of the Global Fund. The Vice-Chair of the TERG reported that there were synergies between the Management Review commissioned by the Executive Director and the TERG evaluation. The Chair of the Board expressed his agreement with the Study Area 1 report and its findings. He tasked the Committees of the Board to follow-up on the recommendations presented by the TERG, and to report to the Board at its next meeting.

3. In discussion delegates thanked the TERG for the report and found the guidance it offered for the future to be valuable and relevant. A few delegates stated they expected more detail on how the recommendations should be operationalized. Most delegates strongly agreed with the analysis on governance and streamlining of processes. Delegates agreed that the recommendations on partnerships were very important, although some cautioned that it would be inappropriate for the Global Fund to articulate the role of partners. Concerns were also raised that activities should minimize the workload of countries and that country ownership be fully addressed in later stages.

4. In response, the TERG Chair thanked the Board for their comments which would help the additional work toward the final report in November 2008. He said that the TERG would expect that the development of partnerships be a participatory process. He added that the full Study Area 1 report contains additional detail as to how recommendations may be implemented, however, the TERG feels it is important that the evaluation does not micro-manage the response. The TERG Chair welcomed the ownership shown by the Board, its Committees and the Secretariat in providing direction and input as to the follow up to the recommendations.

5. The Executive Director thanked the TERG and the evaluation team for having communicated so well with the Booz Allen Hamilton team on the management review. The Executive Director expressed his pleasure at seeing the synergy between the TERG and management review recommendations. As a point of clarity, the Executive Director requested that whenever the Board refers something to a Committee that it refers it jointly to the Committee and the Secretariat who can help with providing background support and avoiding difficulties.

Agenda Item 8: Report of the Policy and Strategy Committee

1. Ambassador Lennarth Hjelmaker, Chair of the Policy and Strategy Committee (PSC) made a presentation that included nine decision points and one item for Board input. The topics addressed were the RCC, grant consolidation, HSS, the Affordable Medicines Facility for malaria (AMFm), constituency guidelines, the Partnership

Forum section of the Global Fund bylaws, key performance indicators (KPIs) and national strategy applications.

2. Three decision points were presented on the RCC. The first addressed eligibility for accelerated implementation and called for the Board to allow well-performing grants that originated from a five-year proposal, but which have implemented activities at an accelerated pace to still be eligible for the RCC. The decision point was approved without discussion.

3. The second decision point on the RCC covered architectural issues. Specifically, the decision point addressed the terms and conditions of interim bridge funding for RCC "non-qualifiers," recognizing that longer-term architectural improvements are being developed but will not be implemented for some time. The decision point was approved without discussion.

4. The third decision point on the RCC proposed changes in policy to allow the TRP to recommend that applicants submit a revised proposal through the next RCC wave; to provide clarification of the intent of the TRP review; and to allow appropriate bridge funding. The decision point requested specifically that the option to resubmit should also be available to Wave 1 applicants. In discussion, delegates asked for clarification of what would be required from CCMs and requested consolidation of decision points on this issue so that countries are clear about what the requirements are. In response, the Executive Director suggested that the Secretariat write a letter to all countries explaining the requirements so that there is no misunderstanding. The decision point was approved.

5. On the subject of grant consolidation, the PSC recommended a reaffirmation of 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. The PSC further recommended that the Board delegate authority to the Secretariat to: consolidate relevant existing and new grants on a voluntary basis; exercise flexibility in the application of existing policies to enable grant consolidation; and approve bridge funding in limited cases where necessary to allow alignment of end dates of grants that are being consolidated. The decision point also requested the Portfolio Committee (PC) to ensure that application forms and guidelines allow for the submission of consolidated applications through Rounds and the RCC. The decision point was approved without discussion.

6. On HSS, the PSC Chair presented a compromise decision point which provided principles to guide the Global Fund's financing for HSS to help health systems overcome constraints to the achievement of improved outcomes in such a way that system-wide effects are achieved and that other programs benefit. The decision point also requested the Secretariat and the TRP to review the results of Round 8 with regard to HSS, and to report to the Eighteenth Board Meeting on the impact of this decision on the application and review process. One delegate cautioned that communication on this issue to countries and partners may be challenging, so close attention should be paid to avoid misunderstandings. The decision point was approved.

7. The PSC Chair went on to explain that a request had been received from RBM for the Global Fund to consider hosting the AMFm, the objective of which is to make effective anti-malarial drugs accessible and affordable to the vast majority of malaria patients. In discussion, several delegates were uncomfortable with consenting to hosting the AMFm without more information and further discussion. The decision point was amended to make it clear that the Board would not make a final decision about hosting the AMFm until its next meeting in April 2008. The amendment also clarified that the AMFm should aim to broaden access to anti-

malaria, especially among those at the highest risk. The decision point was approved as amended.

8. The PSC Chair next presented a decision point on constituency guidelines, which are intended to provide support to the Global Fund Board constituencies in the selection of Board Members, Alternates and Focal Points, as well as information on the composition of Board delegations, engagement at the Committee level and best-practice examples of constituency communication mechanisms. In discussion, delegates raised concerns that the guidelines could be misinterpreted as rules. An amendment was proposed to clarify that these are recommended guidelines. The decision point was approved as amended.

9. The next decision point amending the Partnership Forum section of the Global Fund By-laws so that the Forum meets biennially, at any time during even calendar years, was presented to the Board. The decision point was approved without discussion.

10. On KPIs, the PSC recommended 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. The PSC further recommended 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. In discussion, a delegate suggested that it would be helpful if KPIs could be consolidated in one place and that some KPIs might need some tightening. The decision point was approved without further discussion.

11. In the discussion of national strategy applications, several delegates stressed the high importance of this initiative and exhorted partners to move forward with this work in an urgent fashion, with the aim of having concrete progress to report by the next H8 meeting in January 2008. Delegates expressed their belief that the Global Fund can play a unique role in providing energy and momentum to bridging gaps between the health response and the AIDS response and between the response of civil society and the response of the public sector. The Executive Director explained that the Global Fund had brought this issue to the H8 meeting and stressed its urgency on many occasions, and that he hoped to provide an update on the work on this issue to the January H8 meeting.

Decision Point GF/B16/DP6

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.

Decision Point GF/B16/DP7

¹ 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.

The Board takes note of the challenges in operationalizing the Rolling Continuation Channel (“RCC”)¹ 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 amount to US\$ 125,000, which includes an allocation for 0.3 of a staff position.

Decision Point GF/B16/DP8

The Board refers to its decision at the Fourteenth Board Meeting (GF/B14/DP7) to establish the Rolling Continuation Channel as an alternative funding channel for strongly-performing grants that are reaching the end of their funding terms (“expiring grants”).

As an interim measure, pending the implementation of the outcomes of the review of the Rolling Continuation Channel architecture, the Board:

- 1. Decides to revise the Rolling Continuation Channel policy and procedures in regard to the role of the TRP and the avenues for recourse available to a CCM whose proposal is not recommended for funding after the first submission of a Rolling Continuation Channel proposal by:
 - a. amending paragraph 12 of the decision point (GF/B14/DP9) entitled ‘Establishment of a Rolling Continuation Channel’ (“RCC decision point”) as follows:
 - 12. All rolling continuation proposals shall undergo a level of an independent technical review by the TRP. Such review shall ensure that only technically appropriate interventions are funded, with consideration to the fact that the proposal is intended to ensure continued funding for expiring grants that have met the qualification requirements set out in paragraph 3 above, as rigorous as that for the rounds-based channel. This review shall be performed by the TRP******

¹ Adopted at the Fourteenth Board Meeting (GF/B14/DP9).

- b. **amending paragraphs 7 and 8 of the Board Decision-Making Procedure for the Rolling Continuation Channel (GF/B15/DP19) as follows:**

7. The effect of a Board decision to approve a TRP recommendation shall be as follows:

a. **If the Board approves ~~the~~ a TRP recommendations to fund a RCC proposal, that decision will constitute an approval of the entire term of each such 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 review;**

- b. **If, after an initial submission of a given proposal under the RCC, the Board approves a TRP recommendation that the CCM resubmit a revised version of this proposal in the next wave of RCC proposals, the CCM shall have the option to:**

i. revise its proposal based on the issues identified by the TRP during the initial review of the proposal, and submit the revised proposal in the next wave of Rolling Continuation Channel proposals (“revised proposal”); or

ii. file an appeal as described in paragraph c. below

If the CCM submits a revised proposal, the procedure described in paragraphs 2-6 above will be followed.

c. If the Board approves a TRP recommendation not to fund a proposal, the CCM may file an appeal of the decision not to approve the proposal in accordance with the Global Fund’s Rules and Procedures for Appeals as the final avenue for recourse for the unsuccessful RCC proposal.

8. If the Board decides not to approve a TRP recommendation to fund, the decision making process that applies following a Board objection to a TRP funding recommendation under the Phase 2 Decision-Making Policies and Procedures, as amended from time to time, will be followed. If the Board objects to a TRP recommendation not to fund, then the matter will be referred to the Board at its next Board meeting.

2. **Amends the description of ‘Category 3’ recommended proposals set out in Part 2 of Attachment 1 to the Terms of Reference of the Technical Review Panel by splitting ‘Category 3’ into two parts as follows:**

Category 3a: (Applicable only upon initial submission) Not recommended for funding based on technical merit but strongly encouraged to resubmit a revised proposal, taking into account the issues raised by the TRP, for consideration in the next wave of Rolling Continuation Channel proposals.

Category 3b: (Applicable only upon re-submission) Not recommended for funding based on technical merit but encouraged to resubmit through the Rounds-Based Channel following major revision.

3. *Approves all 'Category 3' recommendations in the Wave 1 TRP Report as if such recommendations were designated 'Category 3a' and requests the Secretariat to notify the relevant CCMs promptly of this decision and the option to resubmit in time for the third wave of RCC proposals.*
4. *Delegates authority to the Secretariat to modify the Rolling Continuation Channel application forms and guidelines to give effect to these modified principles.*
5. *Approves the procedure for providing additional funding ("Rolling Continuation Channel Bridge Funding") for expiring grants as set out in Attachment 1 to Annex 3 of document GF/B16/6.*

This decision does not have material budgetary implications.

Decision Point GF/B16/DP9

The Board refers to its decision¹ 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,² where necessary, revising requirements that could inhibit grant consolidation; and*
3. *approve bridge funding, in limited cases and for a period of no longer than nine months, 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.*

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 GF/B14/DP14

² 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.

Decision Point GF/B16/DP10

The Board refers to the principles set forth in its decision GF/B15/DP6 and reaffirms that the Global Fund should continue to support the strengthening of public, private and community health systems by investing in activities that help health systems overcome constraints to the achievement of improved outcomes in reducing the burden of HIV/AIDS, tuberculosis and malaria (“ATM”).

The Board decides that the Global Fund shall provide funding for health systems strengthening (“HSS”) actions within the overall framework of funding technically sound proposals focused on the three diseases and that such funding shall be based on the following principles:

- 1. The Global Fund shall allow broad flexibility regarding HSS actions eligible for funding, such that they can contribute to system-wide effects and other programs can benefit. With this principle in mind, the Global Fund shall develop guidance with few prescriptions for applications for HSS funding, which may take the form of the following:***
 - a. the specification of categories of HSS actions that the Global Fund recommends applicants consider when developing applications for funding;***
 - b. the specification of principles to guide applicants in deciding which categories of HSS actions to apply for; and***
 - c. the specification of any category of HSS actions that may not be financed by the Global Fund.***
- 2. The Global Fund shall encourage applicants, wherever possible, to integrate requests for funding for HSS actions within the relevant disease component(s). Such HSS actions will be assessed by the Technical Review Panel (“TRP”) as part of its review of that disease component.***
- 3. Recognizing that some HSS actions (“cross-cutting HSS actions”) may significantly benefit more than one disease, the Global Fund shall allow applicants to request funding for such HSS actions by completing a distinct but complementary section (a “cross-cutting HSS section”) within a disease component, provided that:***
 - a. An application shall not contain more than one cross-cutting HSS section.***
 - b. Where cross-cutting HSS actions are proposed, the applicant shall articulate how they address identified health systems constraints to the achievement of improved ATM outcomes.***
- 4. In reviewing a disease component which contains a cross-cutting HSS section, the TRP may recommend for funding either:***
 - a. The entire disease component, including the cross-cutting HSS section;***
 - b. The disease component excluding the cross-cutting HSS section; or***

- c. **Only the cross-cutting HSS section if the interventions in that section materially contribute to overcoming health systems constraints to improved ATM outcomes.**

5. The Global Fund shall also:

- a. **Recommend that proposals containing material HSS actions be based on the results of a recent assessment (the coverage of which need not be limited to ATM) identifying health systems constraints to the achievement of improved outcomes in reducing the burden of HIV/AIDS, tuberculosis and malaria; and**
- b. **Recommend that applications provide evidence of the involvement of relevant HSS stakeholders in the Country Coordinating Mechanism – including at least one non-government in-country representative with a focus on HSS and one government representative with responsibility for HSS planning.**

The Board requests the Portfolio Committee to modify future application forms and guidelines (including for the Rolling Continuation Channel), effective from 1 March 2008, to incorporate the above principles and propose for approval at the Seventeenth Board Meeting any modifications to the Terms of Reference of the TRP (including with respect to the composition of the TRP) that are required in light of the strategic approach reflected in this decision point

The Board requests the Secretariat to provide to the TRP information on the principles that are set forth in this decision. The Board also requests the Secretariat to communicate clearly, working closely with relevant partners, to country stakeholders the Global Fund's amended strategic approach to HSS – including the flexibilities inherent within it.

The Board requests the Secretariat and the TRP to review the results of the Round 8 proposals with regard to HSS actions, and to report to the Eighteenth Board Meeting on the impact of this decision on the application and review process. The report should discuss the quality of proposals that include HSS actions, the proportion recommended by the TRP for approval, and the extent to which applicants have articulated how cross-cutting HSS actions address identified health systems constraints to the achievement of improved ATM outcomes.

The budgetary implications of this decision point in 2008 amount to US\$ 235,000.

Decision Point GF/B16/DP11

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 respective constituencies, and recommended as a guide to strengthen internal constituency processes.

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

Decision Point GF/B16/DP12

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

“The Partnership Forum will meet biennially, at any time during even calendar years at least once every two years.”

This decision does not have material budgetary implications.

Decision Point GF/B16/DP13

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.

Decision Point GF/B16/DP14

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 investigating with no presumptive decision the appropriateness of hosting the AMFm as a Global Fund business line, considering the complementarities 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 report and a possible 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 intended mechanism should seek to increase broad access to ACTs especially among those at highest risk.

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

Agenda Item 9: Report of the Portfolio Committee

1. The Chair of the Portfolio Committee (PC), Ms. K. Sujatha Rao, presented a report with five decision points for the Board to consider on the subjects of the delegation of authority for the approval of guidelines and proposal forms; Phase 2 flexibilities; the Interim Quality Assurance Policy for multi-source products; income level and cost sharing eligibility requirements for funding; and modifications to CCM guidelines.
2. On the issue of delegated authority for the PC to approve guidelines and proposal forms the PC recommended that the Board make this a standard practice by giving the PC the authority to approve guidelines and proposal forms on a continual basis for both Rounds-based and RCC forms instead of the current practice of delegating authority prior to the launch of each Round. The decision point was approved without discussion.
3. On the subject of flexibility of Phase 2 timing, the PC recommended that the Board allow flexibility in Phase 2 timing when Global Fund financing contributes to a national program or to a multi-donor funded program. The recommended flexibility also required that the reporting schedule should be the national reporting schedule or a harmonized reporting schedule to which donors have committed which cannot be easily synchronized with the Global Fund Phase 2 timeframe. The decision point was approved without discussion.
4. The next topic presented was the decision point on the Quality Assurance (QA) Policy for multi-source products. The PC Chair explained that during the last 1-2 years several products – including ARVs and ACTs – have changed classification from single-source products to multi-source products. This allows for manufacturers to copy processes for making the drugs that have been published in monographs. If the Global Fund procures drugs from the new manufacturers, it could open itself to encouraging drug resistance because, although the product would likely be cheaper, the dosage may not be correct and the quality of the product may be poor. The PC recommended an amendment to the Global Fund's QA policy that would allow the organization to continue considering products as single and limited source pharmaceutical products despite their change in classification to multi-source until the results of a full review of the QA Policy are available in November 2008.
5. In discussion, delegates agreed with the PC's recommendation. Because this is a safety issue, it is important that it is kept on the agenda and that technical partners be involved in further discussion. One delegate asked specifically whether this had been prioritized by WHO. In response, WHO said that it had been prioritized. The decision point was approved.
6. On income level and cost-sharing eligibility criteria, the PC proposed that the Global Fund move to the concept of "cost sharing" instead of "counterpart financing". Under the new approach, cost sharing would be based on national programs and the guideline for the maximum level of Global Fund financing for each disease would be: up to 100 percent of the national program for low-income countries; up to 65 percent of the national program for lower-middle-income countries; and up to 35 percent of the national program for upper-middle-income countries. Flexibility would be built into the system when justified by unanticipated country circumstances.
7. In discussion, several delegates expressed an interest in keeping the Global Fund focus on poverty and providing funding to those countries in the low-income bracket. While they are aware that some countries in the upper-middle income bracket struggle with high incidence of disease among vulnerable groups, they felt that those countries should be looking to other sources for funding, not the Global Fund. That said, they felt the recommendation presented by the PC was a good

compromise and would send the appropriate message to countries about what to expect from the Global Fund. The decision point was approved.

8. The final topic presented by the PC was on strengthening the role of civil society and the private sector. The PC recommended amending the CCM Guidelines to include a definition of key affected populations, guidance on the types of Civil Society and Private Sector organizations that should be included in a CCM, changes to the CCM funding policy and delegated authority to the PC to modify CCM Guidelines to make membership of key affected populations a requirement if appropriate. In discussion, one delegation said that they had come to the Board Meeting prepared to propose several amendments to this decision point, because they had several questions about terms of reference. They had decided to withdraw all amendments. The decision point was approved without further discussion.

Decision Point GF/B16/DP15

The Board delegates to the Portfolio Committee the authority to approve the guidelines and proposal forms for each future funding opportunity under both the Rounds-Based Channel and the Rolling Continuation Channel.

This decision does not have material budgetary implications.

Decision Point GF/B16/DP16

The Board decides to amend the Phase 2 Decision Making Policies and Procedures by adding a new paragraph 19 to the Phase 2 Decision-Making Policy and Procedures as set out in Attachment 1, Section 3 of GF/B16/7.

This decision does not have material budgetary implications.

Decision Point GF/B16/DP17

The Board requests the Portfolio Committee to conduct a review of the Global Fund's quality assurance policy for drugs, taking into account alignment with relevant partners' quality assurance policies, concerns about safety, stability and efficacy of drugs, and market dynamics, and report back to the Board at its Eighteenth Meeting.

Concerns have been raised about the risk of quality assurance problems with drugs previously covered by the Global Fund's Quality Assurance Policy for Single and Limited Source Products ("Single Source QA Policy") that have recently been re-categorized as multi-source products (GF/B16/7 Revision 1). As an interim measure to address this risk pending the outcome of the review of quality assurance policy, the Board decides that any drugs for the treatment of HIV/AIDS, TB and malaria for which the formula has been published¹ since the Third Board Meeting (10 October 2002) shall be subject to the Single Source QA Policy.

This decision does not have material budgetary implications.

¹ For this purpose, a published formula means a publicly available monograph for the finished dosage form in the international, US or UK pharmacopeia.

Decision Point GF/B16/DP18

The Board decides to revise the current eligibility criteria for proposals for funding and approves the income level and cost-sharing eligibility criteria for Global Fund funding as set out in Attachment 1, Section 2 of GF/B16/7. The Board delegates to the Portfolio Committee the responsibility to oversee the implementation of the Income Level and Cost-Sharing Eligibility Criteria and to make decisions to facilitate such implementation within the parameters of the policy. The Board further requests technical partners to work with the PC to review how the availability of data for concentrated epidemics in HIV/AIDS will impact access to Global Fund financing.

The Board decides to review the Income Level and Cost-Sharing Criteria in three years' time.

This decision does not have material budgetary implications.

Decision Point GF/B16/DP19

The Board approves the “Guidelines on the Purpose, Structure, Composition and Funding of Country Coordinating Mechanisms and Requirements for Grant Eligibility” (“CCM Guidelines”) as outlined in Attachment 1, Section 1 of GF/B16/7 (Revision 1).

In the context of DP/B15/14 the Board requests the Portfolio Committee to continue to review the representation and participation of civil society and private sector on CCMs and delegates to the Portfolio Committee the authority to modify the CCM Guidelines to make membership of key affected populations and other civil society and private sector representatives on the CCM a requirement if the Portfolio Committee deems it appropriate based on its review.

The Board approves an allocation of US\$ 5,961,000 for CCM funding for the period ending on 31 December 2008. The Board emphasizes that this funding must be used in accordance with the CCM funding policy and is a maximum only. The Board requests that the Secretariat include the expected annual CCM funding maximum as part of the annual budget for the Secretariat that is reviewed by the Finance and Audit Committee and approved by the Board at the last Board Meeting of each calendar year, by adding a separate line item within the operating costs in the same manner as the LFA oversight cost.

The Board delegates to the Portfolio Committee the responsibility for overseeing the implementation of the CCM funding policy and grants to the Portfolio Committee the authority to make such modifications to the CCM Guidelines as may be necessary to operationalize the funding policy. The Portfolio Committee will provide updates on any such modifications in its periodic reports to the Board.

The Board also requests the Portfolio Committee to work with the Secretariat to identify future alternative models of CCM funding taking into consideration (i) the intended purpose and role of CCMs, (ii) differing country contexts, (iii) the need for meaningful participation by civil society representatives, and (iv) the need to strengthen and support the capacity and resources of CCMs to

conduct grant oversight and (v) harmonization with other national bodies. If appropriate based on the outcome of this work, the Portfolio Committee shall recommend modifications to the CCM composition functioning and financing for decision by the Board at its Eighteenth Meeting.

The budgetary implications of this decision point in 2008 amount to US\$ 6,047,000 which includes an allocation for 0.5 of a full time staff position.

Agenda Item 10: Report of Finance and Audit Committee

1. Ambassador Mark Dybul, Chair of the Finance and Audit Committee (FAC) made a presentation with four decision points for the Board to consider on the subjects of the 2008 budget, the transition from the Administrative Services Agreement (ASA) with WHO, the policy for disclosure of IG reports, and the Global Fund Assurance Framework.

2. On the budget, the FAC Chair explained that the budget will need to increase to allow staff to respond appropriately to new requirements and challenges brought on by the organization's growth phase as well as to meet the requirements of the restructuring of the Secretariat. In discussion, most delegates expressed support for an increase in the budget at this time, recognizing that increases in staff are needed. Some cautioned, however, that although they support the growth at this time, they are generally not in favor of large budget increases and want to keep the Secretariat lean and operating expenses low. One delegate suggested that the Board looks at financial and workload implications of all decisions before making commitments on behalf of the organization.

3. In response, the Executive Director stated that he fully agrees that the Secretariat should carefully pursue growth. With regard to staff in general, the spirit in which the Secretariat had been working with the FAC was that the management review provides the framework and that the Executive Director will have the flexibility to use the staff positions as he sees fit to find the most optimal structure for the Global Fund. The 2008 budget is an intermediate budget between the way business was being done previously and the way the Secretariat would be working with FAC and the Board in the future. The Executive Director requested flexibility from the Board to allocate the new staff positions created from the budget as he sees fit. The decision point was approved.

4. On the ASA, the FAC recommended that the Global Fund discontinue the ASA with WHO not later than 31 December 2008. The FAC also proposed that the Secretariat be requested to propose a new pension scheme to which Global Fund staff can be affiliated upon termination of the ASA and their consequent withdrawal from the UN Joint Staff Pension Fund (UNJSPF) and, through WHO, to seek to negotiate a transfer (of contributions) agreement with UNJSPF. The new Global Fund pension scheme would have to meet the criteria of the UNJSPF Board as a pre-requisite to such a transfer.

5. In discussion, delegates were in favor of the move and congratulatory to the FAC for getting this far in the process, however concerns were raised about the timeline for putting policies in place and the amount of budget and staff necessary to carry out the transition. Concerns around staff also included a question of whether

staff allocated to the transition project would be permanent or temporary. Several delegates also highlighted the need to make it clear that a partnership with the UN system remains essential. The FAC Chair explained that to address this need, the proposed decision point had been expanded to include the development of a policy on the relationship and partnership with the WHO and the UN system.

6. In response, the Executive Director thanked the members of the FAC for the excellent spirit in which they have worked and for listening to and understanding the views of staff on this key issue that had been a priority for the last six months. The partnership with the UN is absolutely crucial, as the UN is a key partner of the Global Fund. The Chair of the FAC also stated that the staff working on the transition project would be temporary. The decision point was approved.

7. The FAC Chair next presented a new policy for disclosure of IG reports and referred the Board to Annex 3 of its report for further detail. The decision point was approved without discussion.

8. Regarding the Global Fund Assurance Framework, the FAC was appreciative of the work undertaken by the Inspector General *ad interim* in the development to date of the draft Assurance Framework, and recommended that this be completed by the incoming IG. The FAC also recommended that the Secretariat develop a Risk Management Framework in collaboration with the incoming IG for review by the FAC in March 2008, if possible. In discussion, one delegate asked the incoming IG if he could give the Board some of his ideas on how he plans to take up this work. In response, the IG told the Board that while he has had the opportunity to review the draft Assurance Framework and felt that it was a good start, he was looking forward to developing it further. In particular, he would like to provide much more information about the other assurance policies within the organization and show how the Assurance Framework, the Risk Management Framework and his responsibilities work together. The decision point was approved without further discussion.

Decision Point GF/B16/DP20

The Board approves the 2008 Operating Expense budget in the amount of US\$ 176,610,000 as set out in Annex 1 to the Report of the Finance and Audit Committee GF/B16/8 and proposed by the Secretariat.

The budgetary implications of this decision point amount to US\$ 176,610,000 in 2008 which includes an allocation for 451 staff positions.

Decision Point GF/B16/DP21

The Board decides that the Global Fund shall discontinue the Administrative Services Agreement with the World Health Organization not later than December 31, 2008 (the “End Date”). Administrative and employment arrangements that will be in effect after that date shall be determined in accordance with the principles, processes and timelines that are described in Annex 2 to the Report of the Finance and Audit Committee GF/B16/8.

Pursuant to the above, the Board requests the Secretariat to propose a new cash balance pension scheme that shall provide safeguards for the interests of staff, to which Global Fund staff can be affiliated beginning on the date of termination of the WHO Administrative Services Agreement (the “GF Pension

Fund”), and delegates authority to the Finance and Audit Committee to approve it by its March 2008 meeting.

The Secretariat shall notify the United Nations Joint Staff Pension Fund through the WHO that the Global Fund wishes to negotiate a transfer agreement between the UNJSPF and the GF Pension Fund, for submission to the July 2008 session of the UNJSPF Board.

The Board takes note of the need to further clarify the relationship and partnership with the WHO and the UN system after a discontinuation of the administrative services agreement with WHO, based on a true public/private identity as an efficient and attractive financing instrument and the role of the UN, including its normative role and function. It requests that a draft policy statement on the relationship and partnership with the WHO and the UN system, linked to the broader PSC review of partnership relations, is presented at the 17th Board Meeting.

The budgetary implications of this decision point amount to a maximum of US\$ 18.4 million in 2008 which includes an allocation for 7 staff positions.

Decision Point GF/B16/DP22

The Board approves the Policy for Disclosure of Reports Issued by the Inspector General, set out in Annex 3 to the Report of the Finance and Audit Committee GF/B16/8.

This decision does not have material budgetary implications

Decision Point GF/B16/DP23

The Board thanks the Inspector General ad interim for his work on the development of the Global Fund Assurance Framework, and requests the incoming Inspector General to further develop the Assurance Framework for approval at the Seventeenth Board Meeting.

The Board requests the Secretariat to develop a Risk Management Framework in collaboration with the incoming Inspector General for review by the FAC in March 2008 (subject to the priorities to be established).

The Board requests the incoming Inspector General to develop a list of priorities for consideration by the Finance and Audit Committee for inclusion in the 2008 work plan of the Office of the Inspector General that will be presented to the Seventeenth Board Meeting.

This decision does not have material budgetary implications

Agenda Item 11: Trustee Report

1. Ms Susan McAdams, of the World Bank, the Global Fund's Trustee, presented a brief overview of the Trustee Report. The core message of the report

was that funding, commitments, and disbursements were all increasing. As of 31 October 2007, contributions were already larger than for all of 2006. As of 31 October 2007, investment income was already greater than for all of 2006. The Trustee expects a six percent return on interest. The Board was directed to the Trustee's Report for further detail.

2. In discussion the Chair of the Board stated that while the rate of return was reasonable, he would like the FAC to keep this under review.

Agenda Item 12: Annual Report of the Ethics Committee

1. Dr Jacob Gayle, Vice-Chair of the Ethics Committee (EC) presented a brief report giving the Board an update on ethics cases considered by the Committee. Only one case has been brought since the last report, a request from the Executive Director on behalf of Dr Debrework Zewdie for a waiver of the "cooling off" period required by the Ethics Policy for the employment of former Board and Committee members so that she could take up the position of interim Director of Operations. The World Bank had agreed to her working in the position at 80 percent time with no salary cost to the Secretariat. The EC found no material risk of conflict of interest or inappropriate influence in this matter.

2. It was reported that the EC has also distributed Declaration of Interest forms via email. As of 13 November 2007, 128 individuals had responded, with only a few not responding. In addition, the EC expressed disappointment in the delay of the implementation of the whistle-blower hotline.

3. In discussion, one delegate asked how the Secretariat would deal with the workload of the Director of Operations if Dr Zewdie is only available for 80 percent time. Another delegate asked what the status was of a whistle-blower allegation that came in over the summer of 2007 and for which there appeared to be no response. In reply, the Executive Director stated that while he had asked Dr Zewdie to work full-time, that was not possible. The Executive Director noted that there is an interim Deputy Director of Operations on staff with whom to share the workload. On the issue of the whistle-blower allegation, Mr Bartholomeo Migone, Legal Counsel for the Global Fund, said that although he did not have any details on the case mentioned, he had been assured in the past by the interim IG that whistle-blower complaints were handled through the mechanism that was in existence. The Legal Counsel said that he would pass the concerns raised about the whistle-blower system to the new IG to provide clarification on the situation.

Agenda Item 13: Board Approach to Travel Restrictions for People Living with HIV

1. The Chair of the Board introduced two decision points on travel restrictions for people living with HIV. He stated that it is the Board's position that full participation of HIV positive people is a key component of the way the Global Fund works. To that end, the Global Fund Board would like to deal with the issue in two ways: the first is a direct approach that the Global Fund would no longer hold Board or Committee meetings in countries that have short-term travel restrictions for people living with HIV. The second approach calls on countries to eliminate travel restrictions for people living with HIV. The Chair thanked the Chinese authorities for their

commitment to changing their laws regarding this issue. The Chair also thanked UNAIDS for setting up a task force for advocacy on this issue.

2. In discussion, several delegates expressed support and pride that the Global Fund was taking a leadership position on this issue. One delegate asked if the decision on meetings could be applied to all meetings and not just the Board and Committee meetings. In response the Chair said that it should be applied to all meetings. However, the Executive Director cautioned against applying the decision to all meetings as this could restrict his ability to travel to meet with Ministers and representatives in countries in which there are Global Fund grants but where there are travel restrictions for people living with HIV. Both decision points were approved.

Decision Point GF/B16/DP24

The Global Fund to Fight AIDS, Tuberculosis and Malaria will not hold Board or Committee Meetings in countries that restrict short-term entry of people living with HIV/AIDS and/or require prospective HIV-positive visitors to declare their HIV status on visa application forms or other documentation required for entry into the country.

This decision does not have material budgetary implications

Decision Point GF/B16/DP25

Following GF/B16/DP24 the Board strongly encourages all countries to move rapidly towards elimination of travel/entry restrictions, including waivers, for people living with HIV. The Board acknowledges the UNAIDS commitment to create a Task Team with the aim of eliminating policies and practices that restrict travel for HIV positive people.

This decision does not have material budgetary implications.

Agenda Item 14: Discussion on Strategic Directions for the Three Diseases

1. The Chair of the Board introduced the discussion on the strategic direction for the three diseases, which did not involve any decisions, but rather was an opportunity for the Board to have an open discussion on the way forward.

2. Although there is no question that the Global Fund is a financing agency, with that comes a responsibility for providing leadership in the organization's response to the diseases. The Chair pointed out that the Global Fund has experienced tremendous growth in its short life and that the organization's ambitions to triple in size require it to serve people smartly and understand the overall strategy for responding to the diseases. The Global Fund is not necessarily in the best position to develop those strategies itself, but it must engage and catalyze with partners and have aspirations in terms of what outcomes it expects in what timeframes. The Chair described the discussion as a journey.

3. Dr Peter Piot, Executive Director of UNAIDS, gave a presentation on the status of the AIDS response that outlined four areas: the current strategy, the

institutional landscape, challenges for the future and the contribution of the Global Fund.

4. In discussion, delegates thanked the Chair for the opportunity to engage in the discussion. Some delegates said they were looking forward to getting further input from the TERG on some of these strategic issues, but felt it very important that the Board discuss the issues as well. Some delegates said that they wanted to see the Global Fund focus more on financing issues as it is a financing mechanism, especially in terms of linking resources to outcomes. It was felt that a system was needed to help the Board identify where the Global Fund is failing to get resources out to those in need and make them work.

5. It was felt that sustainability was critical to the debate and that partnerships were key to achieving that. The Global Fund has been successful because it has left enough room and space for partners to operate. To that end, some delegates felt that getting too involved in setting strategy for the three diseases could compromise the Global Fund's success as a financial instrument. There was some thought that this type of strategy discussion was better left to technical and country partners.

6. It was noted that one of the goals and objectives of the organization is to make sure that individual countries realize that they are first and foremost responsible for controlling the epidemics in their areas. Delegates wondered if there were a facility for putting these issues on the agenda at the level of the UN General Assembly and how that could be accomplished.

7. Dr Marcos Espinal, Executive Secretary of the Stop TB Partnership, gave a brief overview on the TB epidemic. He explained that the Stop TB Partnership is not a medical movement, but a social one, with the goal of ensuring that everyone has access to TB control services. The most difficult challenges going forward are the relationship between HIV and TB and the emergence of multi-drug resistant (MDR) – TB. The Stop TB Partnership is proposing a series of actions that will allow countries to reach the Millennium Development Goals (MDGs) in prevalence and mortality, including a blueprint of actions for countries to implement that would save six million lives by 2010.

8. In discussion, several delegates expressed concern that TB does not get the attention or funding that is necessary for controlling the epidemic. Several delegates called for a stronger partnership with Stop TB and for more attention to building demand in this area. The idea was also raised that since Stop TB has developed a global plan, a national strategies window could prove successful.

9. Professor Awa Marie Coll-Seck, Executive Director of RBM, gave a presentation about the state of the fight against malaria. She stated that the landscape had changed and that progress is being made in malaria prevention and treatment. There are now some examples of real impact. RBM looks forward to reaching the MDGs on malaria in 2015.

10. In discussion, several delegates stated that they felt a strong sense of partnership and that the landscape has shifted in a positive direction. Delegates said they looked forward to working more with RBM to scale-up the response to the epidemic. Some delegates cautioned against forgetting the fact that although progress is being made in many parts of the world, malaria is still a major problem in Africa, where there have not been significant changes in mortality of children under the age of 5 in a number of countries. Delegates agreed that the Global Fund still has an essential role to play in fighting the disease and were committed to continuing to work in partnership with RBM to make sure that goals could be achieved.

11. The Chair of the Board recognized the Communities Delegate Dr Françoise Ndayishimiye, who was attending her seventh and last Board Meeting. The Chair and the Executive Director thanked her for her service to the Board and to the Global Fund.

Agenda Item 15: Integrating Gender Issues More Substantially in the Global Fund's Policies and Operations

1. In remarks introducing the topic, the Board Vice-Chair highlighted the importance of the issue in terms of empowering women and girls economically so that they can make better choices about their lives. In many parts of the world and in Africa especially, women cannot act independently as in doing so they would lose access to all the support systems needed to survive.

2. In discussion, several delegates expressed their support for this initiative and their gratitude to the Global Fund for their leadership on this issue. It was noted that HIV/AIDS is having a devastating impact on women and girls in some parts of the world with disease prevalence rates three times higher than that of men and boys. Delegates overwhelmingly agreed that the Global Fund has a significant role to play in supporting women and girls by funding more programs aimed at preventing mother to child transmission of HIV and reducing female vulnerability to the three diseases. Delegates applauded the inclusion of the term sexual minorities in the decision point as these are often neglected groups. The decision point was approved.

Decision Point GF/B16/DP26

The Board recognizes the importance of addressing gender issues, with a particular focus on the vulnerabilities of women and girls and sexual minorities, in the fight against the three diseases, more substantially into the Global Fund's policies and operations.

The Board authorizes the Secretariat as a matter of priority to immediately appoint senior level "Champions for Gender Equality", with appropriate support, who will:

a. Work with technical partners and relevant constituencies to develop a gender strategy.

b. As an immediate priority, provide guidance to the Portfolio Committee on revisions to the Guidelines for Proposals for Round 8 to encourage applicants to submit proposals that address gender issues, with a particular reference to the vulnerability of women and girls and sexual minorities.

The Board requests the Policy and Strategy Committee to review the Gender Strategy and present it to the Board for approval at the Seventeenth Board meeting.

The budgetary implications of this decision point in 2008 amount to US \$556,700, which includes an allocation for three staff positions.

Agenda Item 16: Board Calendar 2008, Rolling Board Agenda 2008-2009 and Any Other Business

1. Due to time restraints, the Chair of the Board decided not to discuss the Board calendar but highlighted that it could be referred to by Board Members for planning purposes. A formal request was made to the Secretariat to find an appropriate, linguistically-sensitive word to replace the term "recipients".

2. The Executive Director thanked the Board and the Secretariat and urged everyone to continue with the hard work that will be needed to prepare for Round 8, which will be launched on 1 March 2008. He ended by calling on the Global Fund partnership to work to ensure quality demand in Round 8, highlighting that partners have a major role to play in increasing demand. Whenever there is a success it is a collective success, and whenever there is a failure, it is not just the failure of a particular country, but a collective failure.

3. The Chair of the Board thanked the Chinese government for hosting the meeting and added that it had been a privilege to chair the meeting.

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