**GF/B19/4**
**Decision**

## REPORT OF THE POLICY AND STRATEGY COMMITTEE

**OUTLINE:** This report summarizes the deliberations of the Policy and Strategy Committee (PSC) at its 11th meeting on 17-19 March 2009 and in a subsequent phone conference. It includes the PSC's recommendations to the Nineteenth Board Meeting.

**INTRODUCTION**

1.1    The Policy and Strategy Committee (PSC) met in Geneva on 17-19 March 2009 for its 11th meeting. The Chair was Ambassador Lennarth Hjelmåker (Point 7); the Vice-Chair was Dr Paulo Teixeira (Latin America and the Caribbean).

1.2    This report contains the following topics:
  **i.    Items for Board decision:**
  - Partnership Forum 2008 (Part 2);
  - Relationship Between the Global Fund and the United Nations (Part 3);
  - Memorandum of Understanding between the Global Fund and the Organization of the Islamic Conference (Part 4);
  - Extension of the Terms of TERG Members (Part 5);
  - Global Fund Strategy in relation to Sexual Orientation and Gender Identities (Part 6);
  - Restructuring of Board Committees (Part 7); and
  - Other Governance Issues (Part 8).

  **ii.   Items for information** (Part 9):
  - Key Performance Indicators;
  - Architecture Review;
  - International Health Partnership (IHP[+]);
  - IHP[+] Work on Joint Assessment of National Strategies;
  - First Learning Wave of National Strategy Applications;
  - Partnership Strategy Framework;
  - Cooperation Agreements;
  - Privileges and Immunities;
  - Translation and Interpretation for Global Fund Governance Processes and OIG Reports;
  - Implementation of the Gender Equality Strategy;
  - Follow-Up to the Five-Year Evaluation Study Areas 1 and 2;
  - UNITAID Roadmap; and
  - HIV-Related Travel Restrictions.

1.3    Guidance on the location of further information is provided at the end of this report.


**PART 2:        PARTNERSHIP FORUM 2008**                                                    Decision

2.1    The Partnership Forum was held in Dakar, Senegal in December 2008. The Chair of the Partnership Forum Steering Committee presented to the PSC the Report of the Partnership Forum[1] and the final Report of the Partnership Forum Steering Committee.[2]

2.2    During its deliberations, the PSC:
  i.    noted the role of the Forum as a platform for input into decision-making by stakeholders not regularly involved in Global Fund governance;

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[1] "Report of the Global Fund Partnership Forum 2008, 8-10 December 2008, Dakar, Senegal" (GF/PSC11/13)
[2] "Final Report of the Partnership Forum 2008 Steering Committee" (GF/PSC11/12)

ii. stressed the need for further efforts to balance representation of different sectors, diseases and regions to achieve effective participation in the future; and

iii. recommended that the results of the Partnership Forum be disseminated widely.

2.3     The PSC recommends the following decision point to the Board. Notwithstanding the budgetary ceiling proposed in the decision point, the PSC stresses the need for due diligence in using available resources prudently.

*Decision Point 1:  Partnership Forum 2008*

*a)  The Board takes note of the "Partnership Forum 2008 Report" (GF/B19/14) and agrees to use the recommendations contained therein to inform ongoing strategic planning and management of the Global Fund. The Board assigns responsibility to oversee follow-up on the recommendations to its committees as laid out in Attachment 1 to GF/B19/4.*

*b)  The Board decides to hold the fourth Partnership Forum in the first half of 2011 and approves the following amendment to Article 6.3 of the By-Laws:*

> *By-Laws: Article 6.3 Frequency and notice of meetings*
>
> *The Partnership Forum will meet ~~biennially, at any time during even calendar years~~ every 24 to 30 months.*
>
> *Meetings of the Partnership Forum shall be convened by written notice from or on behalf of the Foundation Board.*

*c)  The Board mandates the Policy and Strategy Committee to establish a Partnership Forum Steering Committee to start planning for this event early in 2010.*

*d)  The Board approves a budget of US$ 1,500,000 as an upper limit for the fourth Partnership Forum and requests the Finance and Audit Committee to ensure that provision is made in the 2010 budget for adequate staff resources.*

*This decision does not have material budgetary implications for 2009.*


**PART 3:        RELATIONSHIP BETWEEN THE GLOBAL FUND AND THE UNITED NATIONS     Decision**

3.1     At its Sixteenth Meeting the Board decided to discontinue the Administrative Service Agreement with WHO[3] and noted "the need to further clarify the relationship and partnership with WHO and the UN system". At its Eighteenth Meeting, it endorsed an "initiative that the Global Fund, through its Executive Director, take steps to pursue a decision by the 63rd UN General Assembly to grant Observer Status to the Global Fund".[4] The PSC was briefed on the progress made by the group working on this initiative.

3.2     The PSC recommends the following decision point to the Board:

*Decision Point 2:  Relationship between the Global Fund and the United Nations (UN)*

*The Board reiterates its endorsement of the Global Fund's initiative to obtain a decision of the UN General Assembly granting Observer Status to the Global Fund at the UN General Assembly (Decision Point GF/B18/DP15).*

*The Board notes that the Global Fund would be represented by the Executive Director at the UN General Assembly.*

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[3] "Transition from Administrative Services Arrangement" (GF/B16/DP21)
[4] " Relationship between the Global Fund and the United Nations" (GF/B18/DP15)

*All Board constituencies, in particular those including UN Member States, are requested to support the Global Fund's application for Observer Status.*

*This decision does not have material budgetary implications.*


**PART 4:    MEMORANDUM OF UNDERSTANDING BETWEEN THE GLOBAL FUND AND THE ORGANIZATION OF THE ISLAMIC CONFERENCE                                    Decision**

4.1    The Organization of the Islamic Conference (OIC) is an inter-governmental organization bringing together 57 countries in Africa, Asia, the Middle East and the Caribbean regions. Its mission is to represent Muslim people and to strengthen the cooperation among Member States in the political, economic cultural and social fields.

4.2     To continue its work towards strengthening the collaboration between the Global Fund and its partners, the Secretariat has developed a memorandum of understanding (MoU) with the OIC (Attachment 2). The MoU represents high level political support based on common objectives. The Secretariat presented a draft of this MoU[5] to the PSC for its consideration. In the discussion, the PSC stressed that the key principles in the PSC paper on cooperation agreements[6] should be taken into account in the collaboration with the OIC. The PSC also noted that the Board should be notified of any major changes to the MoU.

4.3    The PSC recommends the following decision point to the Board:

*Decision Point 3:    Memorandum of Understanding between the Global Fund and the Organization of Islamic Conference*

*The Board notes the Secretariat's continued focus on strengthening the Global Fund's relationship with its key partners in the fight against the three diseases. In this context, the Board expresses its satisfaction with and endorsement for the principles of the memorandum of understanding with the Organization of Islamic Conference (the "OIC MoU") set out in Attachment 2 of the Policy and Strategy Committee's Report to the Board (GF/B19/4), and requests the Executive Director to finalize and sign the OIC MoU.*

*This decision does not have material budgetary implications.*


**PART 5:    EXTENSION OF THE TERMS OF TERG MEMBERS                                    Decision**

5.1    The terms of six TERG members are due to expire in May 2009.

5.2    During its deliberations, the PSC agreed with the TERG Selection Committee's proposal to extend the terms of TERG members until the November Board meeting. The PSC recommends the following decision point to the Board:

*Decision Point 4:  Extension of the Terms of TERG Members*

*The Board notes that the terms of six TERG members were due to expire at the conclusion of the Five-Year Evaluation, in May 2009.  The Board decides to extend the terms of these six members of the TERG until the conclusion of the Twentieth Board Meeting.  The Board thanks*

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[5] "Memorandum of Understanding between the Organization of the Islamic Conference and the Global Fund to Fight AIDS, Tuberculosis and Malaria" (GF/PSC11/06 – Attachment 2)
[6] "Cooperation Agreements: Review of Existing Approval Practice and Approval of RBM and OIC MOUs" (GF/PSC11/06)

*the TERG members for their contribution to the Global Fund and for their willingness to continue their work for this additional period.*

*This decision does not have material budgetary implications.*


**PART 6:** **GLOBAL FUND STRATEGY IN RELATION TO SEXUAL ORIENTATION AND GENDER IDENTITIES** <u>Decision</u>

6.1    The Global Fund Strategy in relation to Sexual Orientation and Gender Identities (SOGI) is part of the overall gender strategy, the first part of which (the Gender Equality Strategy[7]) was adopted at the Eighteenth Board Meeting.[8] The Secretariat presented its work on the SOGI Strategy to the PSC.[9]

6.2    During its deliberations, the PSC:
   i.   welcomed the draft SOGI Strategy;
   ii.  noted that the Strategy and its implementation should complement the Gender Equality Strategy;
   iii. agreed that available evidence of "vulnerability" is compelling, and also that more evidence can and should be collected;
   iv.  emphasized the need for the Global Fund to proceed in a way that creates benefits for the communities addressed by the Strategy;
   v.   recognized the barriers posed by criminalization and discussed approaches (and modified language) regarding partnerships, communications, and appropriate venues for Board meeting; and
   vi.  recommended attention to language and approaches that reinforce existing progress, efforts and commitments already agreed to, and requested a clearer definition of the terminology of "sexual minorities" or alternatively to explore a more appropriate term.

6.3    Following the PSC meeting, a revised version of the SOGI Strategy was prepared by the Secretariat based on PSC input and was discussed by PSC members during a conference call on 8 April 2009. During its deliberations the PSC:
   i.   noted the tension between "requesting," "requiring" and "encouraging" countries to address SOGI-related vulnerabilities and needs in the fight against the three diseases; and
   ii.  noted that a number of key areas would be addressed in the SOGI Strategy implementation plan (e.g., proposed concrete opportunities for countries to take action, financial implications, and fit with Global Fund processes, operations and new developments like architectural changes and NSAs).

6.4    The final version of the SOGI Strategy can be found in document GF/B19/4 – Attachment 3.

6.5    The PSC recommends the following decision point to the Board:[10]

*<u>Decision Point 5:</u>    Global Fund Strategy in Relation to Sexual Orientation and Gender Identities*

*The Board approves "The Global Fund Strategy in Relation to Sexual Orientation and Gender*

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[7] "The Global Fund's Strategy for Ensuring Gender Equality in the Response to HIV/AIDS, Tuberculosis and Malaria" (GF/B18/4 - Addendum)
[8] "Gender Equality Strategy" (GF/B18/DP18)
[9] "The Global Fund Strategy for Sexual Minorities" (GF/PSC11/07)

*Identities (SOGI)" (GF/B19/4 - Attachment 3) and requests the Secretariat to report on progress of implementation of the strategy to the Policy and Strategy Committee at its next meeting.*

*This decision does not have material budgetary implications.*


**PART 7:    RESTRUCTURING OF BOARD COMMITTEES**                                   <u>Decision</u>

7.1      On 6-7 October 2008, a retreat of the Chairs and Vice-Chairs of the Board and Committees in Glion, Switzerland discussed Global Fund governance issues, including the restructuring of the Board committees.[11] The Board and Committee leadership, in liaison with the Secretariat, developed two models for consideration at the 11th PSC meeting.[12]

7.2     The PSC noted that:
   i.  one major reason for the Board to engage in discussions on a revised committee structure and revised mandates is to provide for a more comprehensive oversight of procurement-related matters (including voluntary pooled procurement, supply chain management, quality assurance, market dynamics and new technologies); and
   ii. the starting point for restructuring should be that changes should contribute to improved performance at country level, and that the governance structure should not be overburdened and thus create increased complexity.

7.3     The PSC also noted that:
   i.  further deliberations on a revised committee structure should be based on the principles of:
       • a committee of the whole dealing with overall policy and strategy issues;
       • function-specific standing committees with limited membership; and
       • ad hoc committees focused on specific issues;
   ii. issue-driven ad hoc committees should enable participation by technical experts and that such committees should report directly to the Board or, as a sub-committee, to one of the standing committees; and
   iii. the present mandate of the Affordable Medicines Facility for Malaria (AMFm) Ad Hoc Committee expires at the Nineteenth Board Meeting, and that this requires that the Board agree on the future governance of the AMFm initiative.  It was also noted that the AMFm Ad Hoc Committee will be making a recommendation to the Board at the Nineteenth Board Meeting on the continued governance of AMFm during its initial phase (Phase 1).[13]

7.4     The PSC agreed to propose the following  committee structure for approval by the Board, stressing that the leadership of the committees should work closely to ensure the complementarity of their work and to move topics between the policy and implementation level as appropriate:

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[10] The Board will be considering the structure and scope of the Board Committees at the Nineteenth Board Meeting (see Part 7 of this report).  As a result, responsibilities assigned to Committees under Board decisions (including the proposed decision point on SOGI in this report) may need to be re-considered.
[11] "Report on Committee Chairs and Vice-Chairs Retreat" (GF/B18/20)
[12] "Restructuring of the Board Committees" (GF/PSC11/09)
[13] "Report of Affordable Medicines Facility – Malaria Ad Hoc Committee" (GF/B19/7)

i.   Policy and Strategy Committee – with largely unchanged terms of reference (ToRs) but without market dynamics, implementation of technical assistance and of gender/SOGI strategies;

ii.  Finance and Audit Committee – with unchanged ToRs but stronger focus on resource mobilization;

iii. Portfolio and Implementation Committee – with ToRs based on those of current Portfolio Committee but with a greater focus on the country level (i.e. including implementation of gender and SOGI strategies; alignment and harmonization; implementation of MoUs; operational partnerships and implementation of technical assistance; integration of special initiatives;

iv.  Ethics Committee – with unchanged ToRs;

v.   Ad Hoc AMFm Committee – maintained for the duration of the AMFm Phase 1 period (see GF/B19/7 for ToRs proposed by the AMFm Ad Hoc Committee); and

vi.  Ad Hoc Market Dynamics and Procurement Committee – a committee to give broader oversight on market dynamics, procurement and commodities matters (see Attachment 4 for ToRs) whose mandate will be subject to review by the Board at the first Board meeting in 2011.

7.5    The PSC agreed that the current membership structure, whereby each constituency is represented on the PSC and one other standing committee (FAC or PC), would be maintained. Membership on the Ethics Committee and the ad hoc committees would not count towards this allocation of committee seats. Based on this, the PSC agreed on the following membership structure:

i.   Policy and Strategy Committee: 20 members (voting) + World Bank + WHO + UNAIDS;

ii.  Finance and Audit Committee: 8 members (voting) + World Bank;

iii. Portfolio and Implementation Committee: 12 members (voting) + WHO + UNAIDS;

iv.  Ethics Committee: 6 members (voting); and

v.   Market Dynamics and Procurement Ad Hoc Committee: 8 members (voting) + WHO + World Bank + 2-4 external experts.

7.6    The AMFm Ad Hoc Committee's recommendation to the Board on AMFm governance includes a proposal for the membership structure for the AMFm Ad Hoc Committee. The proposal is for membership by 10 voting members and includes continued representation by relevant partners and donors, including UNITAID and RBM[14] and the introduction of WHO as an additional non-voting member.

7.7    It was noted that the Committee Rules and Procedures require the leadership of committees to be drawn from Board delegations (preferably Board Members or Alternates). However, it was pointed out that, at its discretion, the Board may make exceptions to the Committee Rules and Procedures subject to Board approval in each specific case, including by inviting nominations from non-Board members on an exceptional basis to perform a leadership role on ad hoc committees.

7.8    The PSC recommends the following decision point to the Board:

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[14] See GF/B17/DP16 and GF/B18/DP7.

*Decision Point 6:   Restructuring of Board Committees*

*The Board adopts the model for restructuring the Board committees set out in the Report of the Policy and Strategy Committee (GF/B19/4) – the "PSC Report".*

*Accordingly, the Board decides:*

1. *to create an ad hoc committee of the Board for market dynamics, procurement, and commodities matters (the "Market Dynamics and Commodities Committee" or "MDC") with the terms of reference set out in document GF/B19/4 - Attachment 4 for the period up to the first Board meeting in 2011, when the Board will consider whether to continue the MDC's mandate. Membership in the MDC shall not count towards the two-committee limit set forth in Section 23 of the Board Operating Procedures. This committee will temporarily remove the Portfolio Committee's responsibilities in this area;*
2. *to continue the mandate of the AMFm Ad Hoc Committee for the AMFm Phase 1 Period;*
3. *to rename the Portfolio Committee the "Portfolio and Implementation Committee" (PIC);*
4. *to approve the amendments to the Committee Rules and Procedures set out in document GF/B19/4 - Attachment 5.*

*[The Board requests the Board Chair and Vice Chair to review prior Board decisions with a view to clarifying and, if necessary, re-assigning responsibilities among the Committees in line with this decision.]*

*The budgetary implications of this decision are estimated at approximately US$ 940,000 for a whole year and US$ 470,000 in 2009. The Secretariat will endeavor to absorb the incremental costs in 2009 by making commensurate savings within the approved budget.*


PART 8:     OTHER GOVERNANCE ISSUES                                    Decision


8.1     As a follow-up to the discussion at the 6-7 October 2008 retreat of the Chairs and Vice-Chairs of the Board and Committees, the following other governance issues were deliberated at the 11th PSC meeting:[15]
  i.     the Executive Director as non-voting Board member;
  ii.    attendance at Executive Sessions of the Board;
  iii.   term lengths of Board and Committee leadership;
  iv.    timing of leadership elections;
  v.     Chair and Vice-Chair Emeritus;
  vi.    terms of reference for Board Chair and Vice-Chair; and
  vii.   improving implementing block participation.

*The Executive Director (ED) as non-voting Board member*

8.2     The PSC:
  i.     recognized that the participation of the ED as a non-voting ex-officio member in the deliberations of the Board will strengthen the link between the Board and the Secretariat;
  ii.    pointed out that the ED can provide valuable input into Board discussions based on the experience available at the Secretariat; and
  iii.   stressed that a decision in this matter should not be seen as a precedent for the addition of other parties as non-voting Board members.

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[15] "Governance Issues: Follow-Up to Chairs and Vice-Chairs Retreat" (GF/PSC11/10)

8.3    The PSC recommends the following decision point to the Board:

*Decision Point 7:  Executive Director as Non-Voting Board Member*

*The Board decides that the Executive Director shall be an ex-officio non voting member of the Board, with immediate effect, and approves the following Amendments to Articles 7.1 and 7.2 of the Bylaws and Part A, Section 1 of the Board Operating Procedures:*

>  *Bylaws: Articles 7.1 and 7.2*
>
>  *7.1 Composition*
>
>  *The Foundation Board shall consist of twenty voting members and ~~four~~ five nonvoting members.  Each voting member shall have one vote. […] The ~~four~~ five ex-officio nonvoting members of the Foundation Board shall consist of:*
>  - *One representative from WHO;*
>  - *One representative from the Joint United Nations Programme on HIV/AIDS ("UNAIDS");*
>  - *One representative from the trustee; ~~and~~*
>  - *One Swiss Citizen with his or her domicile in Switzerland authorized to act of behalf of the Foundation to the extent required  by Swiss law~~.~~; and*
>  - *The Executive Director of the Foundation.*
>
>  *7.2 Appointment of Foundation Board Members*
>
>  *[…] Board Members shall be deemed to act in their capacity as representatives of their respective Governments, organizations, constituencies or other entities.  The Executive Director shall act in his or her capacity as chief executive officer of the Foundation and will serve on the Foundation Board for the duration of his or her term. […]*
>
>  *Board Operating Procedures: Part A, Section 1*
>
>  *Board Members*
>
>  *[…] Board Members serve as the representative of the particular county, organization or other entity, or other constituency holding the Board seat.  The Executive Director shall hold an ex-officio seat on the Board as Chief Executive Officer of the Foundation for the duration of his or her term.  Except as provided for in Sections A.4 and A.5 below, only properly accredited Board Members have the right to vote and to participate in Board deliberations.*

*This decision does not have material budgetary implications.*

*Attendance at Executive Sessions of the Board*

8.4     After consideration of this issue the PSC recommends the following decision point to the Board:

*Decision Point 8:*  *Attendance at Executive Sessions of the Board*

*The Board amends the Board Operating Procedures, Part C, Section 14, as follows:*

> *[…] 14. Restricted Session*
>
> *In its discretion, the Board may conduct its business in Restricted Session (Board Members and Alternates only).  The Board Chair may decide to exclude any non-voting ex-officio Board members from attending an Executive Session at such times and for such purposes as he or she deems appropriate.*

*This decision does not have material budgetary implications.*


*Term lengths of Board and Committee leadership*

8.5     The PSC evaluated the options presented for adjustments to the term lengths of the Board and Committee leadership, and recommended to maintain the current term lengths of two years.


*Timing of leadership elections*

8.6     The PSC was briefed on options for a more structured handover between outgoing and incoming Board leadership and their offices.  While there was agreement that a thorough handover is necessary, it was felt that this could be achieved through existing arrangements.


*Chair and Vice-Chair Emeritus*

8.7     The PSC recognized the value former Board leadership could bring to making progress on specific tasks, such as resource mobilization.  The PSC agreed that such an engagement of former Board leadership is already possible on an informal basis.


*Terms of reference for Board Chair and Vice-Chair*

8.8     The PSC recommends the following decision point to the Board:

*Decision Point 9:* *Terms of Reference for Chair and Vice-Chair*

*The Board approves the terms of reference for the Chair and Vice-Chair of the Board, as laid out in Attachment 6 of GF/B19/4.  The terms of reference shall be used by the Board in its consideration of the candidature of any proposed applicant for the positions as well as the candidates themselves to ensure they are fully aware of what the role(s) involve.*

*This decision does not have material budgetary implications.*


*Improving implementing block participation*

8.9     The PSC acknowledged the need for support to the implementing block constituencies to enhance networking and engagement, requested the Secretariat to develop a detailed costed proposal for review at its next meeting and provided guidance to the Secretariat to this effect.

**PART 9: ITEMS FOR INFORMATION** <u>Information</u>

**Key Performance Indicators**

9.1 In accordance with the decision taken by the Board at its Sixteenth Meeting,[16] the PSC assessed the results achieved against the Key Performance Indicators (KPIs) at end 2008. It also discussed revisions to the KPI framework for 2009 and targets for 2010.

9.2 The PSC commended the Secretariat on the quality and transparency of the report[17] and acknowledged the solid performance against the KPIs in 2008. The PSC was satisfied with the explanations provided for the targets not met and the proposed corrective actions. While recognizing this performance, it also expressed concerns in the following areas:

   i. *Speed of grant signing:* The PSC reemphasized the importance of ensuring rapid disbursement of funds once proposals are approved. However, it also recognized the importance of balancing efforts to better align with country financial cycles, ensure speed of grant signing and quality of program implementation.
   ii. *Funding follows performance:* The PSC stressed the importance of upholding the principle of performance-based funding.
   iii. *Transparency and accountability:* The PSC emphasized the importance of the timely publication and sharing of data on grant implementation and performance.
   iv. *Operating expenses:* The PSC noted the increase in operating expenses and recommended that this issue be discussed at the FAC.

9.3 The PSC supported the proposed revisions for 2009 and the targets for 2010 with a few modifications. These have been included in document GF/PSC11/04 – revision 1. The PSC also recommended to ensure a KPI derived from the Gender Equality Strategy is included following consultation with all relevant partners. A sub-group of PSC members (formed during the PSC meeting to suggest the modifications referred to above) will continue working to propose at the next PSC:

   i. Improved measurement approaches for health systems strengthening, value for money and quality of services;
   ii. The relevant indicator which is the outcome of the Gender Equality Strategy; and
   iii. The removal of indicators from the KPI framework (as appropriate).

9.4 The PSC approved the following decision point:

<u>*PSC decision point*</u>: *Key Performance Indicators: 2008 Reporting and KPIs for 2009 and 2010*

*The Policy and Strategy Committee:*

   1. *Takes note of the year-end results for the 2008 Key Performance Indicators (KPIs) presented by the Secretariat and recognizes its solid performance. The PSC is satisfied with the explanations provided for the targets not met and the proposed corrective actions;*
   2. *Approves the revised KPIs for 2009, including the baseline and targets for the KPIs numbered 22 through 26, as presented in Table 2 to GF/PSC11/04 - revision 1;*
   3. *Approves the targets for 2010, as presented in Table 2 to GF/PSC11/04 - revision 1.*

<u>*This decision does not have any material budgetary implications.*</u>

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[16] "Amendment of Assessment Process for Key Performance Indicators" (GF/B16/DP13)
[17] "Key Performance Indicators: Year End Report on Results for 2008 and Proposed Targets for 2010" (GF/PSC11/04)

## Architecture Review

9.5     Following the Board's decision on the Architecture Review at its Eighteenth Meeting,[18] the Secretariat is currently undertaking design, analysis, consultation and policy review with the intention of proposing architectural changes at the September 2009 PSC meeting. The Secretariat updated the PSC on progress on the Architecture Review.[19]

9.6     The PSC expressed its support for the ongoing architecture work and the move towards a simplified Global Fund business model. It recognized the need to take time until September to ensure proposed changes are significantly thought through and tested, and that benefits and risks are identified. The PSC also agreed on the need for it to review and discuss in detail the proposed architectural changes before the September PSC meeting.  In addition, the PSC emphasized the importance of a clear communication strategy about the architectural changes to address possible misconceptions.

## International Health Partnership (IHP+)

9.7     The Executive Director provided a briefing on the Global Fund's involvement with the IHP+.

9.8     The PSC expressed support for the principles of the IHP+ which seek to increase aid effectiveness through simplified processes and increased country ownership. It welcomed the active contribution of the Global Fund in the IHP+ to date and expressed continued support for the Global Fund's efforts to ensure that the core Global Fund principles and those of the Paris Declaration and Accra Agenda for Action are reflected in the work of the IHP+ (notably, performance-based funding and the inclusion of civil society). The PSC also encouraged the Global Fund to support participation of the private sector in the IHP+, which has been minimal to date.

9.9     The PSC discussed pooled funding arrangements involving large numbers of donors at country level and possibilities and limitations for the Global Fund to effectively participate in these. It suggested that a working group look at this to clarify Global Fund added value in such mechanisms and develop clear communications to guide involvement.

## IHP+ Work on Joint Assessment of National Strategies

9.10    The PSC was briefed on the progress of the multi-partner working group within the IHP+ that aims to develop a "joint assessment"[20] approach for national strategies.

9.11    The PSC noted the linkages and complementarity between the IHP+ work on joint assessment of national strategies and the Global Fund's First Learning Wave of National Strategy Applications, while at the same time recognizing their somewhat different scope, focus and timeframes.

9.12    The PSC reiterated the importance of and the challenges encountered in the involvement of civil society in the IHP+ process. It also noted the lack of implementing country participation in the IHP+ Working Group on National Strategies and reiterated the importance of consultations with implementing countries and key donors.

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[18] "Global Fund Architecture" (GF/B18/DP19)
[19] "Architecture Review – Progress Update" (GF/PSC11/02)
[20] This was previously referred to as "shared validation".

9.13    In addition, comments were made during the debate about concerns regarding harmonized support for a minimum standard of meaningful civil society involvement in the development of country plans.

**First Learning Wave of National Strategy Applications**

9.14    The Board decided at its Eighteenth Meeting to conduct a phased roll-out of National Strategy Applications (NSAs) beginning with a "First Learning Wave"(FLW) in a limited number of countries, aimed at drawing policy and operational lessons to inform a broader NSA roll-out. [21] The Secretariat updated the PSC on progress in the implementation of the FLW.

9.15    The PSC recognized the inherent complexities and the particularly tight timeframe of the FLW, and commended the Secretariat for the progress already achieved since the last Board meeting. The PSC also reiterated the importance of FLW implementation continuing to be consistent with Global Fund core principles. In the debate PSC members also asked the Secretariat for continued information on the FLW.

**Partnership Strategy Framework**

9.16    The Partnership Strategy Framework[22] was developed in response to recommendations from the  Five-Year Evaluation to develop a Partnership Strategy that outlines roles and responsibilities of partners and a way forward for strengthening the Global Fund partnership environment.

9.17    The PSC welcomed the draft Partnership Strategy Framework and its clear focus on the fact that the Global Fund, as a financing mechanism, has to rely on a variety of partners. The PSC suggested the need to be more strategic with a stronger focus on shared objectives with partners and that the strategy needs to be functional and operational at country level. It also expressed support for accountability frameworks to accompany partnership agreements.

9.18    The PSC proposed to hold a briefing session during the upcoming Board meeting to address technical assistance issues and review evidence from a McKinsey study commissioned by the Gates Foundation along with a technical assistance paper prepared by the Secretariat. The PSC noted a need to balance global norms and guidance with country ownership and technical support for implementation. The PSC also recommended a stronger focus on joint resource mobilization efforts with options for mobilizing resources for technical assistance. The PSC noted the necessary link between the growth of the Global Fund and the growth of the capacities and resources of partners.

**Cooperation Agreements**

9.19    The practice has been that strategic partnership agreements are submitted to the PSC for review and comments and then to the Board for approval, and that operational cooperation agreements and private sector agreements have been concluded by the Secretariat without seeking Board approval.

9.20    The PSC supported the Secretariat's approach[23] for the approval of cooperation agreements, specifically that:
  i.   strategic partnership MoUs continue to be submitted to the PSC for review and comment, and then to the Board for approval;
  ii.  substantive changes to strategic partnership MoUs after PSC review, but before Board approval, be highlighted to the Board;

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[21] "Phased Roll-out of National Strategy Applications, with First Learning Wave" (GF/B18/DP20)
[22] "Framework for a Partnership Strategy" (GF/PSC11/05)
[23] "Cooperation Agreements: Review of existing approval practice and approval of RBM and OIC MOUs" (GF/PSC11/06)

iii. operational cooperation agreements and private sector agreements are within the Secretariat's authority to conclude (whether in the form of an MoU or otherwise), without referring them to the Board for approval; and

iv. the Secretariat provide the PSC with regular updates on cooperation arrangements (strategic, operational and private sector) concluded.

## Privileges and Immunities

9.21    States confer privileges and immunities, generally on international organizations, for effective operation, efficient use of funds and protection of the assets, archives and staff of such organizations in order to facilitate their performance and maintain the integrity of their transactions.  The Global Fund was set up as a Swiss Foundation but in some jurisdictions it has privileges and immunities typically granted to an international organization.  Since the recent termination of the Administrative Services Agreement with WHO, the Global Fund and its staff no longer have privileges and immunities outside of the United States and Switzerland. The PSC was briefed on the status of the work to address this.

9.22    The Secretariat is preparing an updated note on privileges and immunities. It will also continue communications with states which have framework legislation on the possibility of designating the Global Fund as an organization that enjoys privileges and immunities within their domestic legal systems. In addition, to facilitate the work going forward, PSC members were asked to nominate legal advisers to a working group by the end of April that would examine mechanisms through which states could grant privileges and immunities to the Global Fund, which could include a multilateral agreement or other arrangements, and prepare a draft proposal to be presented to the Board in November.

## Translation and Interpretation for Global Fund Governance Processes and OIG Reports

9.23    To further increase accessibility and transparency of Global Fund governance processes and oversight, the PSC considered a number of possible changes to current practices on the translation of meeting documentation and OIG reports and interpretation during governance meetings.[24]

9.24    The PSC recognized the need to remove barriers to the effective participation by all partners in Global Fund governance processes, and emphasized the necessity of combining guiding principles with a pragmatic approach and operational realities.

9.25    The PSC also noted the costs and other implications related to increased translation and interpretation services, particularly the fact that the time available for performing work between governance meetings will decrease.

9.26    The PSC:
i. recognized the need to address these issues incrementally, giving priority to increasing interpretation and translation  facilities at the committee level;

ii. requested the Secretariat develop a costed proposal and action plan, based on a needs analysis, in time for its meeting in September/October 2009, and provided guidance to this effect; and

iii. stressed the need to assess the effectiveness and implications of these initial measures and to adapt and build on the lessons learned.

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[24] "Translation and Interpretation for Global Fund Governance Processes and OIG Reports" (GF/PSC11/11)

## Implementation of the Gender Equality Strategy

9.27   Following the approval of the Gender Equality Strategy at the Eighteenth Board Meeting,[25] the draft implementation plan was presented to the PSC.

9.28   The PSC expressed appreciation for the work done to date and recognized the Secretariat's intention to communicate with relevant partners during the further work on the plan. The PSC recognized the enormity of the task, the need to prioritize interventions and the importance of executive ownership. The PSC looks forward to the development of a gender KPI, and requested this be developed in collaboration with relevant partners.

9.29   The PSC requested the Secretariat to continue to coordinate the implementation of the Gender Equality Strategy with the SOGI Strategy.

## Follow-Up to the Five-Year Evaluation Study Areas 1 and 2

9.30   The Secretariat was asked by the Board to report to the PSC on progress in responding to recommendations from the Five-Year Evaluation Study Area 1 and Study Area 2.[26]

9.31   The PSC welcomed the proactive and comprehensive response[27] from the Secretariat on the Five-Year Evaluation. The Secretariat will:
  i.   work with partners to harmonize and limit indicators for assessing performance
  ii.  work with partners to strengthen in-country monitoring and evaluation systems to ensure data quality for performance and evaluation;
  iii.  provide adequate information to the Technical Review Panel on grant performance to improve proposal review processes;
  iv.  simplify grant management processes as part of the architecture review and National Strategy Applications;
  v.   review the functioning of CCMs in countries to ensure that they continue to be inclusive and are true "country" mechanisms and not just "Global Fund" mechanisms; and
  vi.  acknowledge the tensions in the principles underpinning the Global Fund's business model and exercise flexibility in implementation.

9.32    It was noted that the Board[28] has requested the Chair of the PSC, in consultation with the chairs of the PC and FAC, to constitute a small sub-committee with the specific task of assisting the PSC to follow-up on implementation of the Five-Year Evaluation. The responsibility for follow-up on this may need to be reconsidered in light of the Board's review at its Nineteenth Meeting of the scope of the Committees (see Part 7 of this report).

## UNITAID Roadmap

9.33   At the Seventeenth Board Meeting, the Global Fund Board approved a strategic framework for collaboration ("Roadmap") with UNITAID. The framework spans the three disease areas and the cross-cutting areas of information-sharing and diagnostics. The Secretariat was requested[29] to provide a report[30] to the Policy and Strategy Committee on progress.

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[25] "Gender Equality Strategy"(GF/B18/DP18)
[26] "Follow-up of the Five-Year Evaluation Study Areas 2 and 3" (GF/B18/DP21)
[27] "Five-Year Evaluation Recommendations: Response from the Secretariat" (GF/PSC11/08)
[28] "Follow-up of the Five-Year Evaluation Study Areas 2 and 3" (GF/B18/DP21)
[29] "Strategic Framework for Collaboration ('Roadmap') with UNITAID" (GF/B17/DP11)
[30] "Update on the Roadmap for the Strategic Collaboration between the Global Fund and UNITAID" (GF/PSC11/03)

9.34    The PSC welcomed the update on implementing the Roadmap. It recognized the need to share information, especially on countries' access to preferentially-priced medicines and other evidence of market impact, and on how to transition funding. Finally the PSC reaffirmed commitment to work with UNITAID on collaborative ventures including AMFm, multi-drug-resistant tuberculosis, voluntary pooled procurement, data and information sharing.

**HIV-Related Travel Restrictions**

9.35    UNAIDS created the International Task Team on HIV-related Travel Restrictions in January 2008. The report of the Task Team's findings and recommendations was presented to the Board at its Eighteenth Meeting.

9.36    UNAIDS provided the PSC with a written progress update on this topic. [31] The PSC reiterated the importance of this topic and thanked UNAIDS for its written update.

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[31] "UNAIDS Secretariat briefing to the Global Fund Policy and Strategy Committee – follow-up to the work of the International Task Team on HIV-related Travel Restrictions"

## GUIDANCE ON LOCATION OF FURTHER INFORMATION

The below table indicates where further information on items dealt with in this report can be found:

**Where indicated by an asterisk [\*], documents are available on the PSC password-protected website:**
http://www.theglobalfund.org/en/about/board/committees/documents/default.asp?#psc

| Item: | Location of further information: |
|---|---|
| 1. Partnership Forum 2008 | "Final Report of the Partnership Forum 2008 Steering Committee" (GF/PSC11/12 ) [\*] <br> "Board Committee Responsibility for Follow-up on Partnership Forum 2008 Recommendations"(GF/B19/4 – Attachment 1) |
| 2. Relationship between the Global Fund and the United Nations | "Transition from Administrative Services Arrangement" (GF/B16/DP21); and " Relationship between the Global Fund and the United Nations" (GF/B18/DP15) |
| 3. Memorandum of Understanding between the Global Fund and the Organization of the Islamic Conference | "Memorandum of Understanding between the Organization of the Islamic Conference and the Global Fund to Fight AIDS, Tuberculosis and Malaria" (GF/B19/4 – Attachment 2) |
| 4. Extension of the Terms of TERG Members | Presentation slides from 11th PSC Meeting, pages 198-206 |
| 5. Global Fund Strategy in relation to Sexual Orientation and Gender Identities | "The Global Fund Strategy in relation to Sexual Orientation and Gender Identities (SOGI)" (GF/B19/4 – Attachment 3) |
| 6. Restructuring of Board Committees | "Restructuring of the Board Committees" (GF/PSC11/09 – revision 1) [\*] <br> "Terms of reference of the Market Dynamics and Commodities Committee" (GF/B19/4 – Attachment 4) |
| 7. Other governance issues | "Governance Issues: Follow-Up to Chairs and Vice-Chairs Retreat" (GF/PSC11/10) [\*] <br> "Amendments to the Committee Rules and Procedures (for committee restructuring" (GF/B19/4 – Attachment 5) |
| 8. Items for information: | |
| • Key Performance Indicators | "Key Performance Indicators: Year end report on results for 2008 and proposed targets for 2010" (GF/PSC11/04 – revision 1) [\*] |
| • Architecture Review | "Architecture Review – Progress Update" (GF/PSC11/02) [\*] |

| Item: | Location of further information: |
|---|---|
| • International Health Partnership (IHP+) | Presentation slides from 11th PSC Meeting, pages 143-152 |
| • IHP+ Work on Joint Assessment of National Strategies | Presentation slides from 11th PSC Meeting, pages 159-168 |
| • First Learning Wave of National Strategy Applications | Presentation slides from 11th PSC Meeting, pages 170-179 |
| • Partnership Strategy Framework | "Framework for a Partnership Strategy" (GF/PSC11/05) [*] |
| • Cooperation Agreements | "Cooperation Agreements: Review of Existing Approval Practice and Approval of RBM and OIC MOUs" (GF/PSC11/06) [*] |
| • Privileges and Immunities | Presentation slides from 11th PSC Meeting, pages 3-12 |
| • Translation and Interpretation for Global Fund Governance Processes and OIG Reports | "Translation and Interpretation for Global Fund Governance Processes and OIG Reports" (GF/PSC11/11) [*] |
| • Implementation of the Gender Equality Strategy | Presentation slides from 11th PSC Meeting, pages 102-116 |
| • Follow-Up to the Five-Year Evaluation Study Areas 1 and 2 | "Five-Year Evaluation Recommendations: Response from the Secretariat" (GF/PSC11/08) [*] |
| • UNITAID Roadmap | "Update on the Roadmap for the Strategic Collaboration between the Global Fund and UNITAID" (GF/PSC11/03) [*] |
| • HIV-Related Travel Restrictions | "UNAIDS Secretariat briefing to the Global Fund Policy and Strategy Committee – follow-up to the work of the International Task Team on HIV-related Travel Restrictions - March 2009" [*] |