

36th Board Meeting

Report of the Coordinating Group

GF/B36/18

16-17 November 2016, Montreux, Switzerland

Board Information

Purpose of the paper: The purpose of the present report is to provide the Board Members with an update on the work of Coordinating Group in fulfilling its mandate. It is a result of a joint effort of the Board Leadership and leadership of the Audit and Finance Committee (AFC), Ethics and Governance Committee (EGC) and Strategy Committee (SC).

Part 1 - Decision Point

1. There is no Decision Point contained in this paper.

Part 2 - Relevant Past Decisions

2. There are no relevant past Decision Points.

Part 3 – Introduction

3. This report is a joint effort of the Global Fund Coordinating Group (“CG”). Following implementation of the enhanced governance structure approved by the Board¹, the CG is formed by the Chair and Vice-Chair of the Board (Board Leadership) and leadership of the Board standing committees²: Audit and Finance Committee (AFC), Ethics and Governance Committee (EGC) and Strategy Committee (SC). The CG is a mechanism for work coordination between the Board and its Committees. It ensures effective collaboration across the Board Committees and linkages between different workstreams, particularly with regard to cross-cutting issues. Key intersectional areas of CG work relate to oversight of institutional performance of the Global Fund Board, risk oversight any other matters as deemed necessary by the Board.
4. The purpose of the report is to provide an overview of work performed to date by the Coordinating Group in fulfilling its mandate under its terms of reference (see Annex 1). It highlights key areas of CG engagement, outlines progress made over the last six months, and reflects on key priorities ahead in the remainder of the CG’s two-year tenure. Annexes to this report include: 1) Coordinating Group Terms of Reference (ToR); 2) List of decisions adopted by the standing Committees between the 35th and 36th Board meetings; and 3) High-Level Coordinating Group Work Plan.
5. Since the last 35th Board Meeting on 26-27 April 2016, the Coordinating Group has held six regular meetings, five of which were virtual (via Zoom) and one in-person meeting in the margins of the Committee meetings in June 2016. The CG meetings took place approximately every four to six weeks, each were followed by the circulation of the meeting minutes to the Board constituencies. The next CG in-person meeting will take place on 14 November 2016 ahead of the 36th Global Fund Board Meeting in Montreux, Switzerland.

Part 4 – Reflections on the first months of CG tenure under new TORs

6. Since the [Enhanced Governance Structure](#) took effect on 28 April 2016, the Coordinating Group began a new term under its updated Terms of Reference and with membership comprising of the new Chairs and Vice-Chairs of the Committees. The work performed during this term aimed at building on the legacy and improving the work initiated by the former Coordinating Group members. At its first meeting, the Coordinating Group revisited and adopted its workplan based on the amended terms of reference, as approved by the Board³. Key refinements embedded in the CG work plan (Annex 3) included an increased CG focus on prioritization of risks and corresponding better monitoring of implementation of mitigating actions. The CG also supported Board Leadership in strengthening resource mobilization efforts, advocacy and support in

¹ <http://www.theglobalfund.org/Knowledge/Decisions/GF/B34/EDPo7/>

² Current Coordinating Group membership includes: Norbert Hauser and Aida Kurtovic (Board Leadership), Greg Ferrante and Beatrijs Stickers (Audit and Finance Committee Leadership), Mohamed Salah Ben Ammar and Jan Paehler (Ethics and Governance Committee Leadership), Dorothée Kinde-Gazard and Julia Martin (Strategy Committee Leadership).

³ <http://www.theglobalfund.org/Knowledge/Decisions/GF/B34/EDPo7/>

communication with partners, stakeholders and donors, in preparations of the 5th Replenishment Conference, held successfully in September 2016.

Enhanced oversight of institutional organizational performance

7. As part of supporting the Board on delivering an oversight of organizational performance and corporate KPIs, the CG has increased its focus on the interaction between the financial and programmatic performance. At the beginning of its tenure, the CG supported the dialogue between the Board constituencies and the Secretariat in order to facilitate the Board's approval of the 2017-2022 Strategic Key Performance Indicator Framework⁴. In addition, the CG received updates on the links between Strategy Implementation Plan, various initiatives and action plans and the Zero-Based Budgeting ("ZBB") exercise, to ensure that the new strategy implementation will not be affected by the Global Fund Operating Expenses budget ("OPEX").

Improved Cross-committee coordination of Risk Management

8. In terms of ensuring cross-committee collaboration and coordination in the identification and management of risks, review of the quarterly Organizational Risk Register has been a standing item on the Coordinating Group's agenda, with a focus on key risks debated in more detail within a new "deep dive" modality. To date, the CG has received a thorough insight into the improved Prioritized Action Plan for Impact ("PAP") and Procurement and Supply Chain management ("PSM"), representing one of the most prevalent risks in the Global Fund's portfolio along with program quality, drug and insecticide resistance, program sustainability and transition from Global Fund financing. In addition to the discussions raised around the CG role in risk oversight, the regular updates on initiatives, risk mitigation measures and assurance mechanisms applied by the Secretariat have been regularly brought to the CG attention, particularly as key risks and mitigation activities evolved before the replenishment. The CG discussions on how to achieve an appropriate depth of debate on risk appetite at the Board level and strengthening cooperation with partners to mitigate risks at grant portfolio remain ongoing.
9. The issue of joint oversight of the Ethics and Governance Committee and the Strategy Committee over the Country Coordinating Mechanisms ("CCMs") generated some dynamic discussions at the CG meetings, largely due to a lack of clarity around an adequate and robust mechanism for CCM oversight across Committees. Considering that the CCM is a key governance mechanism at country level, the EGC plays a key role in governance and ethics matters of the CCM, whereas the SC is mandated to oversee the CCM funding implementation process. The CG is seeking the optimal solution and in the interim has agreed that the SC would work with the Ethics Officer to mitigate potential conflicts of interest, which may arise as a result of CCM affiliation of some SC members, and to address the provisions of their financial compensation. The EGC will work with the Ethics Officer on the effective Code of Conduct for CCM members and will ensure it is applied equally effectively. Both Committees agreed on a structured reporting line to EGC and SC on the implementation of the concerned Agreed Management Actions ("AMAs").
10. In the context of the recent replenishment campaign and successful results achieved, the Coordinating Group has called for a consistent and transparent communication about pledges received and the projected subsequent allocations.

Nomination of Committee Membership

⁴ <http://www.theglobalfund.org/Knowledge/Decisions/GF/B35/EDP05/>

11. As part of CG engagement in effective administration and coordination of the Global Fund's processes and systems, the Coordinating Group supported the selection process and appointment of voting and non-voting members of the Audit and Finance Committee, Ethics and Governance Committee and Strategy Committee⁵. Throughout the selection process, the Board Leadership consulted with designated CG members on potential candidates and their eligibility to serve as Committee members prior to their recommendation for the Board's approval. As a lessons learned from the process, the CG members will provide input into the workstreams of the EGC focused on improving the membership and selection processes of Board and Committee members to ensure that the Global Fund continues to attract qualified candidates that meet the skills required for the effective engagement of the Board and Committees. Between in-person Committee meetings, the CG, through the respective Committee leaders, remains a main facilitator of continued engagement by Committee members in tasks related to a respective Committee's mandate and its key areas.

Overall effectiveness of Global Fund Board and Committee meetings

12. In supporting the Board in setting up of the Global Fund's performance assessment framework and to safeguard the quality of performed work by the Board Committees, the Coordinating Group has reviewed the results of the Committees Self-Assessment, following the joint Committee meetings in June 2016. In that regard, the impact of the volume of meeting documentation, approach to joint sessions and attendance of Observers on the overall effectiveness of the Committees remain current topics of CG concern and will be discussed at its next meeting in November 14, 2016.
13. Concerning the attendance of Observers in the Committee meetings, the CG discussed on several occasions their accommodation and proposed specific ways to allow their remote, yet consistent participation in the meetings. These included participation by phone/video, as allowed for in the Board Operating Procedures.
14. In the spirit of enhancing discussions at the Board level, the CG has been also a strong proponent of increasing the utilization of electronic decision points, with necessary preparatory work completed in advance through phone and video conference calls. The CG members agree that this shift would allow for more time at the Board Meeting to discuss fundamental and strategic directions of the Global Fund.

Part 5 – Key priorities ahead

15. Looking forward, the Coordinating Group continues to emphasize the importance of the engagement of the Committees on longer-term strategic issues, such as the globality of the Global Fund, its links with the new SDGs context, country ownership and other founding principles of the Global Fund. As the Board holds a comprehensive debate around transition and sustainability, the CG shall guard the momentum and facilitate the discussions needed by the Committees and subsequently the Board to deliver on the Global Fund's mission of saving lives.
16. The volume of items being discussed at the Committee meetings and the quantity of documents being submitted to the Committees and the Board has been an ongoing concern of the CG. Although some improvements in terms of shortening the documentation and making it more succinct have been made, CG continues to try to achieve agendas that allow for a sufficient amount of discussion with items being supported by documentation that maintains an appropriate balance in terms of length, simplicity and relevant information. Yet, without a clear and shared understanding about the desired strategic level of discussion and decision making at the Board and

⁵ <http://www.theglobalfund.org/Knowledge/Decisions/GF/B35/EDPo2/>

Committee meetings, which stems from a defined risk appetite at the Board, the volume of documents submitted to Board constituencies will remain an ongoing challenge. The CG shall continue its increased multifaceted engagement in alignment of the Board and Committee work plans and meeting agendas to increase the efficiency of these meetings.

17. The Board Leadership has decided to hold a Board retreat to finalize the selection of the next Executive Director, scheduled on 27-28 February 2017. The retreat will also enable the Board members' to exchange views on the Executive Director selection process, reflect on lessons learned to further inform ongoing improvement efforts by the EGC around selection processes.

Annexes

Annex 1. Coordinating Group Terms of Reference (ToR)

Annex 2. List of decisions adopted by committees between the 35th and 36th Board meetings

Annex 3. High-Level Coordinating Group Work Plan

TERMS OF REFERENCE OF THE COORDINATING GROUP

28 April 2016¹

¹ Approved by the Board on 28 January 2016 (GF/B34/EDP07) and effective after the conclusion of the 35th Board Meeting held on 26 – 27 April 2016.

A. Role and functions

1. The Coordinating Group of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the “Global Fund”) provides a visible and transparent mechanism for coordination and collaboration between the Board and the Committees of the Board, including, among other areas of work, ensuring collaboration across the committees with respect to cross-cutting matters, including risk management and organizational performance, and any other responsibilities as may be directed by the Board.
2. The Coordinating Group carries out its work within the framework of the decision-making authorities of the Board, its Chair and Vice-Chair, and the Committees of the Board as set out in the Global Fund’s By-Laws, committee charters, and operating procedures.

B. Areas of work

Oversight of institutional performance

3. The Coordinating Group will support the Board’s core function of setting the Global Fund’s performance assessment framework in regard to the organization’s strategic, operational and financial performance through:
 - a. Monitoring/tracking routine oversight by the Board’s committees of key performance indicators falling within the specific mandate of each committee;
 - b. For key performance indicators that have a cross-cutting element, ensuring a high-level of inter-committee collaboration to ensure the Board’s ability to assess overall corporate performance through a single information source; and
 - c. As required, making recommendations to the Board on possible adjustments to the performance assessment framework to strengthen Board and committee oversight of performance.

Risk oversight

4. The Coordinating Group will support the Board’s core function in setting the Global Fund’s overall risk management strategy through ensuring cross-committee collaboration and coordination in the identification and management of risks.

Effective administration and coordination of processes and systems

5. Board priorities, agenda setting and communications: The Coordinating Group will support the effective and coordinated administration of the Board through:
 - a. Supporting the Chair and Vice-Chair of the Board in priority-setting for the Board and its committees, including alignment of committee and Board work plans and agendas, and the comprehensive and rational assignment to specific committees of oversight of Board strategies and initiatives;
 - b. Reviewing follow-up to Board and committee decisions; and
 - c. Instituting effective communication modalities for sharing information, advice and recommendations between the Board and the committees and amongst the committees.

6. Appropriate documentation: The Coordinating Group will support the Board's goal of ensuring relevant and timely dissemination of relevant materials to Board and Committee Members in a manner which facilitates timely application of the Global Fund's language policy and optimizes comprehension of the key issues for Board and committee discussion and decision. Within this area of work, key tasks for the Coordinating Group include:
 - a. Prioritizing preparation of reports to the Board and the Committees to ensure optimal use of resources in support of governance structures; and
 - b. Setting standards for achieving an appropriate balance in length and simplicity of documentation to facilitate broad comprehension.
7. Membership engagement: The Coordinating Group will support the selection of Committee Members and facilitation of Committee functions by:
 - a. Consulting with the Chair and Vice-Chair of the Board on the potential candidates identified to serve as Committees Members, prior to the Chair and Vice-Chair of the Board presenting the selected candidates to the Board for approval; and
 - b. Facilitating continued engagement by Committee Members on tasks related to key topic areas between Committee meetings.

C. Composition and term

8. The Coordinating Group comprises the Chair and Vice-Chair of the Board, and the Chair and Vice-Chair of each of the Committees of the Board.
9. The Coordinating Group may invite the Executive Director, the Inspector General, leadership or members of advisory groups and/or technical experts to attend meetings and/or support Coordinating Group deliberations on matters directly related to the respective functions or expertise of such individuals.
10. Members of the Coordinating Group may not designate alternates to attend meetings or participate in deliberations of the Coordinating Group.

D. Reporting and communication

11. To facilitate effective collaboration and coordination with the committees of the Board, Coordinating Group members shall regularly communicate feedback, advice and/or recommendations directly to the Committees of the Board.
12. To ensure transparency in its work, the Coordinating Group will make available at each Board meeting a summary of its key activities since the prior Board meeting, in addition to specific ad-hoc reports that the Board may request from time to time on key topics.

E. Quorum and voting

13. The Coordinating Group may only conduct business when a majority of members are present.
14. The Coordinating Group shall use best efforts to make all recommendations and decisions by consensus. If all practical efforts by the Coordinating Group have not led to consensus, any member of the Coordinating Group may call for a vote. In order to pass, motions require a two-thirds majority of those present.

Annex 2

Decisions adopted by the three Standing Committees between the 35th and 36th Board meetings

Decision Points approved by the AFC between 35th and 36th Board Meetings	
DP ref. No.	Title
1st AFC Meeting, 14-15 June 2016	
GF/AFC01/DP01	Approval of External Audit Plan 2016
GF/AFC01/DP02	Approval of Global Foreign-Exchange Management Framework
GF/AFC01/DP03	Approval of Audit and Finance Committee Remuneration Group
2nd AFC Meeting, 13-14 October 2016	
GF/AFC02/DP01	Recommendation on Wambo.org
GF/AFC02/DP02	Forecasted Unutilized Funds from the 2014 – 2016 Allocation Period
GF/AFC02/DP03	Recommendation on the Amended and Restated Comprehensive Funding Policy
GF/AFC02/DP04	Recommendation on the Sources of Funds for Allocation for the 2017 – 2019 Allocation Period
GF/AFC02/DP05	Recommendation on Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator Framework
GF/AFC02/DP06	2017 OIG Annual Plan and Recommendation on 2017 OIG Budget
GF/AFC02/DP07	Approval of the 2016 Interim Financial Report
GF/AFC02/DP08	Recommendation on Corporate Work Plan and Budget Narrative 2017 and 2017 Operating Expenses Budget
GF/AFC02/DP09	Approval of Advanced Payment Mechanism
GF/AFC02/EDP01	Recommendation on Grievance and Dispute Resolution System

Decision Points approved by the EGC between 35th and 36th Board Meetings	
DP ref. No.	Title
1st EGC Meeting, 14-15 June 2016	
GF/EGC01/DP01	Procedure for Retention and Dissemination of Confidential Information
GF/EGC01/DP02	Approval of the 2016 Ethics Function Work Plan
2nd EGC Meeting, 12-14 October 2016	
GF/EGC02/DP01	Approval of the 2 nd Ethics and Governance Committee Meeting Agenda
GF/EGC02/DP02	Approval of the 2017 Ethics Function Work Plan and Recommendation on Associated Budget

GF/EGCo2/DP03	Performance Evaluation Process of the Ethics Officer
GF/EGCo2/EDP01	Recommendation on the approval of the Terms of Reference for the Nomination Committee for the recruitment process of the Executive Director
GF/EGCo2/EDP02	Privileges and Immunities
GF/EGCo2/EDP03	Constituency Funding Policy

Decision Points approved by the SC between 35th and 36th Board Meetings	
DP ref. No.	Title
1st SC Meeting, 14-15 June 2016	
GF/SC01/DP01	Approval of Qualitative Factor Adjustment Process for the 2017 – 2019 Allocation Period
GF/SC01/DP02	Approval of Revised Terms of Reference of the Technical Evaluation Reference Group
GF/SC01/DP03	Approval of Core Guiding Principles of Differentiation and Process for updating the Technical Review Panel's Terms of Reference and Membership
GF/SC01/EDP01	Appointment of New Members of the Technical Evaluation Reference Group
GF/SC01/EDP02	Approval of revised Country Coordinating Mechanism (CCM) Funding Policy
2nd SC Meeting, 13-14 October 2016	
GF/SC02/DP01	Recommendation on Wambo.org
GF/SC02/DP02	Approval of Amended and Restated Terms of Reference of the Technical Review Panel
GF/SC02/DP03	Approval of the Technical Evaluation Reference Group's 2017 – 2022 Evaluation Plan, 2017 Work Plan and Recommendation on 2017 Budget
GF/SC02/DP04	Recommendation on the Sources of Funds for Allocation for the 2017 – 2019 Allocation Period
GF/SC02/DP05	Recommendation on Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator Framework
GF/SC02/DP06	Recommendation on Catalytic Investments
GF/SC02/EDP01	Recommendation on Catalytic Investments
GF/SC02/EDP02	Appointment of New Members of the Technical Review Panel
GF/SC02/EDP03	Recommendation on Performance Targets for KPIs 1, 2 and 8 for the 2017 – 2022 Strategic Key Performance Indicator Framework
GF/SC02/EDP04	Recommendation on Performance Targets for KPI 9b for the 2017 – 2022 Strategic Key Performance Indicator Framework

1st Audit and Finance Committee Meeting Decision Points

Decision Point GF/AFC01/DP01: Approval of External Audit Plan 2016 (Approved Unanimously)

1. The Audit and Finance Committee (the “AFC”) approves the Audit Plan 2016, as set forth in GF/AFC01/15 and as reviewed by the AFC at its June 2016 meeting.
2. With respect to the Financial Control Environment Reviews (“FCERs”) referenced in GF/AFC01/15, the AFC requests the external auditor prepare a statement:
 - a. Detailing how the FCERs will relate to and remain separate from the external audit work and opinion; and
 - b. Giving assurance as to the external auditor’s continued independence, subject to applicable international auditing standards, in light of the proposed FCERs.
3. In addition, the AFC requests from the Secretariat a copy of the terms of reference related to the FCERs with a description of the standards to be used in their performance.

Decision Point GF/AFC01/DP02: Approval of Global Foreign-Exchange Management Framework (Approved Unanimously)

1. The Audit and Finance Committee (the “AFC”) acknowledges the:
 - a. Finance and Operational Performance Committee’s (the “FOPC”) June 2014 approval of the framework and hedging instruments for managing foreign-exchange risk (GF/FOPC11/DP02), as presented in GF/FOPC11/06 (the “FX Policy – Part I”);
 - b. FOPC’s November 2014 endorsement of the financial risk management framework (GF/FOPC13/DP05), as presented in GF/FOPC13/17, which outlines principles regarding multi-currency disbursements as well as measures to address related exposure to currency fluctuations (the “FX Policy Part II”); and
 - c. Objective to implement a comprehensive approach for managing exposure to foreign exchange risks in anticipation of the Fifth Replenishment (2017 – 2019) and in recognition of lessons learned over the Fourth Replenishment (2014 – 2016), as described in GF/AFC01/06, through the Global Foreign-Exchange Management Framework outlined in Annex 1 to GF/AFC01/06 (the “Global FX Framework”).
2. Accordingly, the AFC decides to approve the:
 - a. Global FX Management Framework, which shall supersede FX Policy – Part I having incorporated principles and measures that remain relevant and applicable to the approach towards managing foreign-exchange risk and notes the Global FX Framework will be used to support implementation of the FX Policy Part II where appropriate; and
 - b. Amended Policy for Financial Administration, as set forth in Annex 2 to GF/AFC01/06, to facilitate the implementation of the Global FX Management Framework.
3. The AFC requests the Secretariat to present a review of implementation of the Global FX Management Framework at the AFC’s March 2017 meeting.

Decision Point GF/AFC01/DP03: Approval of Audit and Finance Committee Remuneration Group (Approved Unanimously)

1. Pursuant GF/FOPCo4/DP02 (“Establishment of the Remuneration Group”), the Audit and Finance Committee (the “AFC”) establishes the Remuneration Group, as further described in GF/AFC01/XX, composed of the following:
 - a. Greg Ferrante, AFC Chair;
 - b. Beatrijs Stikkers, AFC Vice-Chair;
 - c. Thamer Al-Hilfi, representing the Implementer Bloc; and
 - d. Gregorie Lacoïn, representing the Donor Bloc.
2. Members of the Remuneration Group will serve until the end of their respective terms as members of the AFC.
3. In case a vacancy arises on the Remuneration Group, a replacement will be appointed in the same manner, and based on the same criteria, as the appointment of such replacement’s predecessor.

2nd Audit and Finance Committee Meeting Decision Points

Decision Point GF/AFC02/DP01: Recommendation on Wambo.org (Approved Unanimously)

1. The Audit and Finance Committee and the Strategy Committee jointly agree to present the following decision point to the Board for approval at its 36th meeting in November 2016 based on their review and discussion of the Secretariat’s paper “Wambo.org: Progress Update and Steps for Advancement”, as presented in GF/AFC02/23a and GF/SC02/06a:

Decision Point: GF/B36/DPXX: Wambo.org: Progress Update and Steps for Advancement

1. **The Board acknowledges the progress update on wambo.org presented by the Secretariat and notes the proposal contained in the paper “Wambo.org: Progress Update and Steps for Advancement”, as set forth in GF/B36/XX, to pilot a limited number of transactions by current Principal Recipients (“PRs”) using domestic funding via wambo.org.**
2. **Based on the joint recommendation of the Audit and Finance Committee and the Strategy Committee, the Board approves the piloting of a limited number of transactions (at a maximum ten in total) by current PRs using domestic funding via wambo.org.**
3. **Accordingly, the Board:**
 - a. **Requests that the Secretariat reports back to the Audit and Finance Committee and the Strategy Committee on the operationalization of this pilot, including any lessons learned from such transactions in light of the long-term perspective for wambo.org; and**

- b. **Delegates to the Audit and Finance Committee and the Strategy Committee the authority to approve further transactions with domestic funding through wambo.org on a pilot basis, with the objective to provide input into further strategic and operational planning for wambo.org.**

Decision Point GF/AFC02/DP02: Forecasted Unutilized Funds from the 2014 – 2016 Allocation Period (Approved Unanimously)

1. Based on its review and discussion of the Secretariat's forecast of sources and uses of funds, as presented in GF/AFC02/07 – Revision 1, the Audit and Finance Committee (the "AFC") recognizes and accepts the Secretariat's conservative estimate of the following amount of forecasted unutilized funds from the 2014 – 2016 allocation period: USD 1.1 billion (the "Available Funds").
2. The AFC agrees to present the Available Funds to the Strategy Committee for its deliberations on the potential uses of the estimated amount.

Decision Point GF/AFC02/DP03: Recommendation on the Amended and Restated Comprehensive Funding Policy (Approved Unanimously)

1. Based on its review, discussion and endorsement of the proposed amendments to the Amended and Restated Comprehensive Funding Policy, as set forth in Annex 1 to GF/AFC02/08 – Revision 1 (the "Amended CFP"), the Audit and Finance Committee (the "AFC") decides to recommend the following decision point to the Board for approval at its November 2016 meeting:

GF/B36/DPXX: Amended and Restated Comprehensive Funding Policy

1. **Based on the recommendation of the Audit and Finance Committee, the Board approves the Amended and Restated Comprehensive Funding Policy, as set forth in Annex 1 to GF/B36/XX.**

Decision Point GF/AFC02/DP04: Recommendation on the Sources of Funds for Allocation for the 2017 – 2019 Allocation Period (Approved Unanimously)

1. The Audit and Finance Committee (the "AFC") acknowledges and endorses the Secretariat's presentation of the methodology for calculating the amount of sources of funds for allocation for the 2017 – 2019 allocation period (the "Sources of Funds for Allocation"), as outlined in GF/AFC02/25 – Revision 1 and GF/AFC02/07 – Revision 1.
2. The AFC and Strategy Committee (the "SC") recommend the following decision point to the Board for approval at its November 2016 meeting. Based on their review of the interrelated aspects regarding the sources of funds for allocation, catalytic investments and sources of funds for country allocation, as presented in GF/AFC02/25 – Revision 1, the committees recommend the following based on their respective mandates.

GF/B36/DPXX: Sources and Uses of Funds for the 2017 – 2019 Allocation Period

- 1. Based on the recommendation of the Audit and Finance Committee (the “AFC”), as presented in GF/B36/XX, the Board decides the amount of sources of funds for allocation for the 2017 – 2019 allocation period will be comprised of the following amounts:**
 - a. USD 10.0 billion, derived from the announced replenishment results of the Fifth Replenishment (2017 – 2019) net of certain adjustments and qualifying deductions, in accordance with the Amended and Restated Comprehensive Funding Policy set forth in Annex 1 to GF/B36/XX; and**
 - b. USD 1.1 billion, the portion of the forecasted unutilized funds from the 2014 – 2016 allocation period presented by the AFC and the Strategy Committee (the “SC”) for inclusion in the sources of funds for allocation for the 2017 – 2019 allocation period following deliberations at the committees’ October 2016 meetings.**
- 2. Based on the recommendation of the SC, as presented in GF/B36/XX, the Board approves USD 0.8 billion for the 2017 – 2019 allocation period’s catalytic investments, in accordance with the priorities, activities, initiatives and associated costs, as set forth in GF/B36/XX and approved under GF/B36/DPXX.**
- 3. Accordingly, the Board decides the amount of sources of funds for country allocations for the 2017 – 2019 allocation period is USD 10.3 billion, of which USD 0.8 billion is to ensure scale up, impact and paced reductions according to the allocation methodology approved by the Board in April 2016 under decision point GF/B35/DP10.**

Decision Point GF/AFC02/DP05: Recommendation on Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator Framework (approved with 1 abstention by the UK)

- 1. Based on its review and discussion of the Secretariat’s update and recommendation with respect to the presentation of performance targets for the 2017 – 2022 Strategic Key Performance Indicator (“KPI”) Framework, as set forth in GF/AFC02/13a, the Audit and Finance Committee (the “AFC”) and the Strategy Committee (the “SC”) agree to:**
 - a. Recommend the performance targets where proposals are complete for approval by the Board at its November 2016 meeting;**
 - b. Recommend the interim indicator proposals for KPI 5 and KPI 9c for approval by the Board at its November 2016 meeting;**
 - c. Review and recommend the performance targets that require further analysis with respect to Strategic KPIs 1, 2, 8 and 9b after the committees’ in-person meetings in October 2016 and prior to the November 2016 Board meeting; and**

- d. Postpone the review of performance targets for the measures associated with Strategic KPIs 6a, 6b and 6e until 2017, as outlined in GF/AFC02/13a, for recommendation to the Board thereafter.
2. Accordingly, the AFC and SC agree to jointly recommend the following decision point to the Board for approval at its November 2016 meeting:

Board Decision GF/B36/DPXX: Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator Framework

1. **The Board notes the additional analysis by the Secretariat to develop performance targets for the 2017 – 2022 Strategic Key Performance Indicator (the “KPI”) Framework approved by the Board in June 2016 under decision point GF/B35/EDP05 and set forth in Annex 1 to GF/B35/ER05 (the “Strategic KPI Framework”).**
2. **Based on the recommendation of the Audit and Finance Committee and the Strategy Committee, as set forth in GF/B36/XX, the Board:**
 - a. **Approves the performance targets where proposals are complete;**
 - b. **Approves the proposed interim indicator proposals for KPIs 5 and 9c; and**
 - c. **Agrees with postponing its review and approval of performance targets for KPIs 6a, 6b and 6e until 2017.**

Decision Point GF/AFC02/DP06: 2017 OIG Annual Plan and Recommendation on 2017 OIG Budget (Approved Unanimously)

1. The Audit and Finance Committee (the “AFC”) acknowledges its review of the 2017 Annual Plan of the Office of the Inspector General (the “OIG”) as presented in GF/AFC02/14 and its request that, following the receipt of clarifications as requested by the AFC which are not expected to impact the OIG’s 2017 operating expenses budget, such Annual Plan be resubmitted to the AFC for final approval.
2. Accordingly, the AFC recommends the inclusion of the OIG’s 2017 operating expenses budget, in the amount of USD 17.1 million, as presented in GF/AFC02/14, in the Global Fund’s overall 2017 operating expenses budget that will be presented to the Board for approval at its November 2016 meeting.

Decision Point GF/AFC02/DP07: Approval of the 2016 Interim Financial Report (Approved Unanimously)

1. The Audit and Finance Committee authorizes the issuance of, and therefore approves, the Global Fund’s 2016 Interim Financial Report, which includes the 2016 Interim Condensed Consolidated Financial Statements that have been reviewed by KPMG S.A., as set forth in Annex 1 to GF/AFC02/17.

Decision Point GF/AFC02/DP08: Recommendation on the 2017 Operating Expenses Budget and Corporate Work Plan (Approved Unanimously)

1. The Audit and Finance Committee (the “AFC”):
 - a. Acknowledges its review and discussion of the Corporate Work Plan and Budget Narrative 2017, as set forth in GF/AFC02/10, and decides to recommend it to the Board for approval at its November 2016 meeting;
 - b. Notes its approval of including the Office of the Inspector General’s 2017 budget, in the amount of USD 17.1 million, in the 2017 Operating Expenses Budget (GF/AFC02/DP06); and
 - c. Decides to recommend the 2017 Operating Expenses Budget, in the amount of USD 300.0 million, as set forth in GF/AFC02/09, to the Board for approval at its November 2016 meeting.
2. Accordingly, the AFC recommends the following decision point to the Board for approval at the November 2016 Board meeting:

Board Decision Point GF/B36/DPXX: 2017 Corporate Work Plan and Operating Expenses Budget

1. **Based on the recommendation of the Audit and Finance Committee, the Board approves the following:**
 - a. **Corporate Work Plan and Budget Narrative 2017, as set forth in GF/B36/05B; and**
 - b. **2017 Operating Expenses Budget in the amount of USD 300.0 million, as set forth in GF/B36/05A, which includes USD 17.1 million for the Office of the Inspector General’s 2017 operating expenses.**

Decision Point GF/AFC02/DP09: Approval of Advanced Payment Mechanism (Approved Unanimously)

1. The Audit and Finance Committee (the “AFC”) notes the Secretariat’s recommendation on advance payments for certain grant expenditures, as described in GF/AFC02/04.
2. Based on its discussion and endorsement of the Secretariat’s recommendation, the AFC approves the amended and restated Policy for Financial Administration, as set forth in Annex 2 to GF/AFC02/04, and directs the Secretariat to report on its implementation as part of regular Treasury updates to the AFC.

GF/AFC02/EDP01: Revised Recommendation on Grievance and Dispute Resolution System (Approved with two votes against from France and USA constituencies)

- 1. *The Board acknowledges the work carried out by the Secretariat to review the Global Fund's employee grievance and dispute resolution system, as well as the decisions reached by the Management Executive Committee (MEC) to strengthen internal components of this system (GF/AFC02/20).***
- 2- *Regarding mechanisms for final resolution of employee grievances, the Board notes the review carried out by the Secretariat on the recognition of the jurisdiction of the International Labour Organization Administrative Tribunal (ILOAT), as compared with other available mechanisms.***
- 3- *Noting the outcome of this review, and upon recommendation from the Audit and Finance Committee (AFC), the Board requests that the Secretariat continue its work in this area, specifically to (i) further explore available mechanisms for final resolution of employee disputes; and (ii) review the feasibility of implementing alternatives to the current system within the Global Fund's context. The Staff Council will be consulted as part of this exercise.***
- 4- *Provided an alternative model is identified which is both feasible and considered by MEC to present advantages over the current ILOAT model, the Board requests that the Secretariat develop such an alternative model and present it to the AFC for review and decision at its October 2017 meeting. As part of its presentation to the AFC, the Secretariat will include an analysis of the projected costs of any proposed alternative model, as compared with the current ILOAT model.***

1st Ethics and Governance Committee Meeting Decision Points

GF/EGCo1/DPo1: Procedure for Retention and Dissemination of Confidential Information (Approved Unanimously)

The Ethics and Governance Committee approves the Procedure for Retention and Dissemination of Confidential Information attached as Annex 1 to GF/EGCo1/03.

GF/EGCo1/DPo2: Approval of the 2016 Ethics Function Work Plan (Approved Unanimously)

1. Following review of this proposal, the EGC:
 - a. Approves the 2016 Ethics Function Work Plan developed by the Ethics Officer in consultation with the Executive Director, as described in Annex 1 to GF/EGCo1/08 – Revision 1;
 - b. Notes the Ethics Officer's agreement that the previously approved 2016 Operating Expenses Budget for the Ethics Function (Annex 2 to GF/EGCo1/08 – Revision 1) is sufficient to meet 2016 needs, as set forth in the Ethics Function Work Plan; and
 - c. Requests the Ethics Officer to keep the 2016 budget under review and return to EGC should changes be deemed necessary within the overall 2016 budgetary allocation for the ethics function.

2nd Ethics and Governance Committee Meeting, 12-14 October 2016

GF/EGCo2/DPo1: Approval of the 2nd Ethics and Governance Committee Meeting Agenda (unanimously approved by Members present)

The Ethics and Governance Committee approves the 2nd Ethics and Governance Committee Meeting Agenda (GF/EGCo2/01).

GF/EGCo2/DPo2: Approval of the 2017 Ethics Function Work Plan and Recommendation on Associated Budget (unanimously approved by Members present)

1. Based on its review of the 2017 Work Plan for the Ethics Function, as presented in Part 4 of GF/EGCo2/04 – Revision 1 (the "2017 Work Plan"), the Ethics and Governance Committee (the "EGC"):
 - a. Approves the core budgeted work streams outlined in Table 1 of the Work Plan (the "Core Work Streams"); and
 - b. Endorses the additional initiatives outlined in Table 2 of the Work Plan, subject to paragraph 3 of this decision point (the "Additional Initiatives").
2. Accordingly, the EGC recommends to the Audit and Finance Committee the 2017 budget associated with the Core Work Streams, in the amount of USD 621,011, as set forth in Table 3 of Part 6 of GF/EGCo2/04 – Revision 1 (the "2017 Ethics Budget"), for inclusion in the Global Fund's overall 2017 operating expenses budget that will be presented to the Board for approval at its November 2016 meeting.

3. Furthermore, the EGC:
 - a. Notes the associated budget in the amount of USD 305,000 for the Additional Initiatives as presented in Table 4 of Part 6 of GF/EGCo2/04 – Revision 1, is not part of the amount recommended for inclusion in the Global Fund’s overall 2017 operating expenses budget, due to timing differences in the Ethics budget development process and the Secretariat’s finalization of the overall 2017 operating expenses budget;
 - b. Endorses the prioritization of the Additional Initiatives and requests that funding from efficiencies within the 2017 operating expenses budget be applied to strengthen the implementation of the Ethics and Integrity Framework; and
 - c. Requests the Ethics Officer to report to the EGC on implementing the 2017 Work Plan, including updates regarding the Additional Initiatives.

GF/EGCo2/DP03: Performance Evaluation Process of the Ethics Officer (unanimously approved by Members present)

This Decision was discussed in Executive Session and hence the details are not included in this Report.

GF/EGCo2/EDP01: Recommendation on the approval of the Terms of Reference for the Nomination Committee for the recruitment process of the Executive Director (5 in favor, 1 objection)

The Ethics and Governance Committee:

1. Notes its responsibilities with regard to the recruitment process of the Executive Director as set out in Article 36 of the Operating Procedures of the Board and Committees of the Global Fund (“BCOP”).
2. Notes its consultations with the Board Chair and Vice-Chair and the Governance Focal Points Network in relation to this process, including with respect to the establishment of the nomination committee referred to in the BCOP and the selection of an executive search firm, Russell Reynolds Associates, to provide support to the nomination committee in carrying out its mandate.
3. Invites the Board Chair and Vice-Chair to recommend for Board approval the terms of reference of the nomination committee referred to in the BCOP, as set out in Annex 1 to GF/EGCo2/ER01.
4. Invites the Board Chair and Vice-Chair, following the approval by the Board of the terms of reference of the nomination committee, to submit in due course for Board approval, in accordance with Article 36 of the BCOP, a Chair and the membership of the nomination committee.

GF/EGCo2/EDPo2: Privileges and Immunities (5 in favor, 1 objection)

The Ethics and Governance Committee (“EGC”):

1. Notes its responsibilities with regard to for the oversight of the acquisition of privileges and immunities for the Global Fund as set out in the Charter of the EGC.
2. Acknowledges the serious challenges and risks faced by Global Fund and its staff members in the discharge of their duties in many countries, and stresses the importance of states granting to the Global Fund privileges and immunities through the signature of the Agreement on Privileges and Immunities of the Global Fund (“P&I Agreement”).
3. Acknowledges the considerable efforts of the Privileges and Immunities Advisory Group (“PIAG”) and the Secretariat in incentivizing the signature and ratification of the P&I Agreement, in particular by implementing countries.
4. Expresses however its concern regarding the slow progress of the signature and ratification of the P&I Agreement.
5. Requests the Secretariat to develop, in consultation with the PIAG, proposals to further enhance the levels of signature and ratification of the P&I Agreement – taking into consideration, where possible, the role of civil society as well as other incentives and positive reinforcement measures – and to report back in due course to the EGC on the said proposals.

1st Strategy Committee Meeting Decision Points

Decision Point GF/SC01/DP01: Approval of Qualitative Factor Adjustment Process for the 2017 – 2019 Allocation Period (Approved Unanimously)

1. The Strategy Committee notes the Board's request, in its April 2016 approval of the allocation methodology (GF/B35/DP10), for the Strategy Committee to review and approve the qualitative factors and method by which the Secretariat will apply and report on the qualitative-factor adjustment process.
2. Based on the Secretariat's recommended approach for the qualitative-factor adjustment process, as presented in GF/SC01/13, and the Strategy Committee's review and discussion at its June 2016 meeting, the Strategy Committee approves the qualitative-factor adjustment process for the 2017 – 2019 allocation period, as set forth in Annex 1 to GF/SC01/13.

Decision Point GF/SC01/DP02: Approval of Revised Terms of Reference of the Technical Evaluation Reference Group (Approved Unanimously)

1. The Strategy Committee notes the Strategy, Investment and Impact Committee's decision in March 2016 (GF/SIIC17/DP06) to request the Technical Evaluation Reference Group (the "TERG") to present the following to the Strategy Committee for review and approval:
 - a. A TERG multi-year strategic approach to the evaluation for the Global Fund Strategy 2017 – 2022 with budget options (the "Multi-Year Evaluation Approach"); and
 - b. Revised Terms of Reference for the TERG (the "TERG ToRs").
2. Based on its review and associated discussion, the Strategy Committee decides to approve the revised TERG ToRs, as set forth in Annex 1 to GF/SC01/08 – Revision 2 and appoints Vinand Nantulya to serve as focal point on matters of the TERG.
3. The Strategy Committee also notes:
 - a. The TERG will present the Multi-Year Evaluation Approach to the Strategy Committee for approval at the Strategy Committee's October 2016 meeting; and
 - b. The new TERG recruitment strategy, as set forth in Annex 2 to GF/SC01/08 – Revision 2, which will guide the process to present new members for the Strategy Committee to appoint prior to the next TERG meeting in the third quarter of 2016.

Decision Point GF/SC01/DPO3: Approval of Core Guiding Principles of Differentiation and Process for updating the Technical Review Panel’s Terms of Reference and Membership (Approved Unanimously)

1. The Strategy Committee (the “Committee”) notes the access-to-funding principles affirmed by the Board, as set forth in Annex 3 to GF/B35/05 – Revision 1 and approved under GF/B35/DP10, outlines elements of the access-to-funding process applicable to applicants and delegates authority to the Committee to approve further guiding principles of differentiation.
2. Accordingly, the Committee:
 - a. Approves the Secretariat’s proposed core guiding principles for differentiation of the development of all funding requests and the application, review and approval process, as set forth in Annex 1 to GF/SC01/12 – Revision 2, which shall inform the development of revised terms of reference for the Technical Review Panel (the “TRP”) and additional operational aspects of the access-to-funding process that the Secretariat will develop prior to the 2017 – 2019 allocation period;
 - b. Approves the establishment of the Committee’s Working Group on TRP Matters (the “TRP Working Group”) under the terms of reference set forth in Annex 2 to GF/SC01/12 – Revision 2 with the following membership:
 - i. The Chair and Vice Chair of the Strategy Committee;
 - ii. The non-voting members of the Committee representing the WHO and Partners constituencies;
 - iii. One Committee member representing constituencies of the implementer group and one Committee member representing constituencies from the donor group;
 - iv. The Chair of the TRP; and
 - c. Requests that the revised terms of reference for the TRP and proposed candidates for TRP membership will be presented to the Committee for approval at its meeting in October 2016.

Decision Point GF/SC01/EDPO1: Appointment of New Members of the Technical Evaluation Reference Group (Approved; vote not received from Private Foundations)

1. Based on the recommendation of the Working Group on the Technical Evaluation Reference Group (the “TERG”) Recruitment, the Strategy Committee approves the:
 - a. Appointment of the following individuals to serve as members of the TERG for an initial three-year term from the start of September 2016 to the end of September 2019, or until the appointment of their respective successors or renewal of their respective memberships:
 - i. Cindy Carlson;
 - ii. Marie Laga;
 - iii. Elizabeth Moreira dos Santos;
 - iv. Daniel Whitaker; and

- b. Appointment of the following individuals to serve as members of the TERG for an initial three-year term from the first TERG meeting in 2017 (expected to be in February 2017) to the end of February 2020, or until the appointment of their respective successors or renewal of their respective memberships:
 - i. Helen Evans;
 - ii. George Gotsadze; and
 - iii. Godfrey Sikipa

Decision Point GF/SCo1/EDPo2: Approval of revised Country Coordinating Mechanism Funding Policy (Approved Unanimously)

1. The Strategy Committee approves the revised Country Coordinating Mechanism (CCM) Funding Policy, as set forth in Annex 1 to GF/SCo1/ERO3.

2nd Strategy Committee Meeting Decision Points

Decision Point GF/SC/DPo1: Recommendation on Wambo.org (Approved Unanimously)

1. The Audit and Finance Committee and the Strategy Committee jointly agree to present the following decision point to the Board for approval at its 36th meeting in November 2016 based on their review and discussion of the Secretariat's paper "Wambo.org: Progress Update and Steps for Advancement", as presented in GF/AFCo2/23a and GF/SCo2/o6a:

Board Decision Point: GF/B36/DPXX: Wambo.org: Progress Update and Steps for Advancement

1. **The Board acknowledges the progress update on wambo.org presented by the Secretariat and notes the proposal contained in the paper "Wambo.org: Progress Update and Steps for Advancement", as set forth in GF/B36/XX, to pilot a limited number of transactions by current Principal Recipients ("PRs") using domestic funding via wambo.org.**
2. **Based on the joint recommendation of the Audit and Finance Committee and the Strategy Committee, the Board approves the piloting of a limited number of transactions (at a maximum ten in total) by current PRs using domestic funding via wambo.org.**
3. **Accordingly, the Board:**
 - b. **Requests that the Secretariat reports back to the Audit and Finance Committee and the Strategy Committee on the operationalization of this pilot, including any lessons learned from such transactions in light of the long-term perspective for wambo.org; and**

- c. Delegates to the Audit and Finance Committee and the Strategy Committee the authority to approve further transactions with domestic funding through wambo.org on a pilot basis, with the objective to provide input into further strategic and operational planning for wambo.org.**

Decision Point GF/SCo1/DPo2: Approval of Amended and Restated Terms of Reference for the Technical Review Panel (Approved Unanimously)

1. Based on the recommendation of the Strategy Committee's Working Group on Technical Review Panel matters, as presented in GF/SCo2/07 – Revision 3, the Strategy Committee (the “SC”) approves the:
 - a. Amended and restated Terms of Reference of the Technical Review Panel, as set forth in Annex 1 to GF/SCo2/07 – Revision 3 (the “TRP Terms of Reference”); and
 - b. Revised review criteria of the TRP, as set forth in Annex 2 to GF/SCo2/07 – Revision 3 (the “Review Criteria”).
2. The SC notes the TRP Terms of Reference and Review Criteria as effective as of the date of this decision.

Decision Point GF/SCo2/DPo3: Approval of the Technical Evaluation Reference Group's 2017 – 2022 Evaluation Plan and 2017 Work Plan and Recommendation on 2017 Budget (Approved Unanimously)

1. The Strategy Committee (the “SC”) approves the Technical Evaluation Reference Group's (the “TERG”) Evaluation Plan 2017-2022, as presented in Annex 1 to GF/SCo2/09 – Revision 1, and the TERG's work plan for 2017, as presented in GF/SCo2/09 – Revision 1.
2. Accordingly, the SC recommends the 2017 TERG budget of USD 1.66 million, as outlined in GF/SCo2/09 – Revision 1, for inclusion in the Global Fund's 2017 operating expenses budget, which the Audit and Finance Committee will review and recommend to the Board for approval at its November 2016 meeting.
3. The SC notes the activities and associated budget of the Prospective Country Evaluations included in the TERG's Evaluation Plan 2017 – 2022 and work plan for 2017 are subject to the SC's final recommendations on catalytic investments for the 2017 – 2019 allocation period and the Board's approval of such recommendations.

Decision Point GF/SC02/DP04: Recommendation on the Sources of Funds for Allocation for the 2017 – 2019 Allocation Period (approved with one abstention from Developing NGOs)

1. The Audit and Finance Committee (the “AFC”) and the Strategy Committee (the “SC”) recommend the following decision point to the Board for approval at its November 2016 meeting. Based on their review of the interrelated aspects regarding the sources of funds for allocation, catalytic investments and sources of funds for country allocation, as presented in GF/AFC02/25 – Revision 1 and GF/SC02/23 – Revision 1, the committees recommend the following based on their respective mandates.

Board Decision Point GF/B36/DPXX: Sources and Uses of Funds for the 2017 – 2019 Allocation Period

1. **Based on the recommendation of the Audit and Finance Committee (the “AFC”), as presented in GF/B36/XX, the Board decides the amount of sources of funds for allocation for the 2017 – 2019 allocation period will be comprised of the following amounts:**
 - a. **USD 10.0 billion, derived from the announced replenishment results of the Fifth Replenishment (2017 – 2019) net of certain adjustments and qualifying deductions, in accordance with the Amended and Restated Comprehensive Funding Policy set forth in Annex 1 to GF/B36/XX; and**
 - b. **USD 1.1 billion, the portion of the forecasted unutilized funds from the 2014 – 2016 allocation period presented by the AFC and the Strategy Committee (the “SC”) for inclusion in the sources of funds for allocation for the 2017 – 2019 allocation period following deliberations at the committees’ October 2016 meetings.**
2. **Based on the recommendation of the SC, as presented in GF/B36/XX, the Board approves USD 0.8 billion for the 2017 – 2019 allocation period’s catalytic investments, in accordance with the priorities, activities, initiatives and associated costs, as set forth in GF/B36/XX and approved under GF/B36/DPXX.**
3. **Accordingly, the Board decides the amount of sources of funds for country allocations for the 2017 – 2019 allocation period is USD 10.3 billion, of which USD 0.8 billion is to ensure scale up, impact and paced reductions according to the allocation methodology approved by the Board in April 2016 under decision point GF/B35/DP10.**

Decision Point GF/SC02/DP05: Recommendation on Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator Framework (Approved Unanimously)

1. Based on its review and discussion of the Secretariat’s update and recommendation with respect to the presentation of performance targets for the 2017 – 2022 Strategic Key Performance Indicator (“KPI”) Framework, as set forth in GF/AFC02/13a, the Audit and Finance Committee (the “AFC”) and the Strategy Committee (the “SC”) agree to:

- a. Recommend the performance targets where proposals are complete for approval by the Board at its November 2016 meeting;
 - b. Recommend the interim indicator proposals for KPI 5 and KPI 9c for approval by the Board at its November 2016 meeting;
 - c. Review and recommend the performance targets that require further analysis with respect to Strategic KPIs 1, 2, 8 and 9b after the committees' in-person meetings in October 2016 and prior to the November 2016 Board meeting; and
 - d. Postpone the review of performance targets for the measures associated with Strategic KPIs 6a, 6b and 6e until 2017, as outlined in GF/AFC02/13a, for recommendation to the Board thereafter.
2. Accordingly, the AFC and SC agree to jointly recommend the following decision point to the Board for approval at its November 2016 meeting:

Board Decision GF/B36/DPXX: Performance Targets for the 2017 – 2022 Strategic Key Performance Indicator Framework

1. **The Board notes the additional analysis by the Secretariat to develop performance targets for the 2017 – 2022 Strategic Key Performance Indicator (the “KPI”) Framework approved by the Board in June 2016 under decision point GF/B35/EDP05 and set forth in Annex 1 to GF/B35/ER05 (the “Strategic KPI Framework”).**
2. **Based on the recommendation of the Audit and Finance Committee and the Strategy Committee, as set forth in GF/B36/XX, the Board:**
 - a. **Approves the performance targets where proposals are complete;**
 - b. **Approves the proposed interim indicator proposals for KPIs 5 and 9c; and**
 - c. **Agrees with postponing its review and approval of performance targets for KPIs 6a, 6b and 6e until 2017.**

Decision Point GF/SC02/DP06: Recommendation on Catalytic Investments (approved with one abstention from Germany)

1. The Strategy Committee (the “SC”):
 - a. Endorses the Secretariat’s recommendation to request the Board to approve USD 800 million for catalytic investments for the 2017 – 2019 allocation period;
 - b. Endorses the technical partners’ and Secretariat’s recommendations on the priorities, including associated costs, to be financed as catalytic investments for the 2017 – 2019 allocation period, as presented in Table 1 of GF/SC02/13 – Revision 2; and
 - c. Notes the Secretariat will have flexibility to operationalize catalytic investments, update the SC and Board on such operationalization, and present any reallocations of the associated costs among the approved priorities for the SC’s approval.
2. Accordingly, the SC recommends the following decision point for approval at the 36th Board meeting in November 2016:

Board Decision Point GF/B36/DPXX: Catalytic Investments for the 2017 – 2019 Allocation Period

- 1. The Board notes that up to USD 800 million is available for catalytic investments, subject to the amount of sources of funds for allocation, in accordance with the allocation methodology approved in April 2016 under decision point GF/B35/DP10 and set forth in Annex 1 to GF/B35/05 – Revision 1.**
- 2. Based on the recommendation of the Strategy Committee (the “SC”) and the amount of sources of funds for allocation recommended by the Audit and Finance Committee (the “AFC”) in GF/B36/XX, the Board decides USD 800 million will be available for catalytic investments over the 2017 – 2019 allocation period for the priorities and associated costs presented in Table 1 of GF/B36/XX, of which no portion will be moved to further balance scale up, impact and paced reductions through country allocations.**
- 3. The Board notes any reallocation of the associated costs among the approved priorities will be presented by the Secretariat to the SC for approval and requests the Secretariat to update the SC and Board on operationalization of catalytic investments.**

Decision Point: GF/SC02/EDP01: Recommendation on Catalytic Investments (Decision not approved)

- 1. The Strategy Committee (the “SC”):**
 - a. Notes its decision at the SC’s October 2016 meeting (GF/SC02/DP06) to recommend that the Board approve:
 - i. USD 800 million for catalytic investments for the 2017 – 2019 allocation period; and
 - ii. The priorities, including associated costs, to be financed as catalytic investments for the 2017 – 2019 allocation period.
 - b. Endorses the amended priorities and associated costs for the 2017 – 2019 allocation period’s catalytic investments, as presented in Table 1 in GF/SC02/13 – Revision 3 (the “Amended Priorities and Associated Costs”); and
 - c. Acknowledges the Amended Priorities and Associated Costs will be presented to the Board for approval in November 2016.
- 2. Accordingly, the SC affirms its decision under GF/SC02/DP06 to recommend the following decision point for approval at the 36th Board meeting in November 2016:**

Board Decision Point GF/B36/DPXX: Catalytic Investments for the 2017 – 2019 Allocation Period

- 1. The Board notes that up to USD 800 million is available for catalytic investments, subject to the amount of sources of funds for allocation, in accordance with the allocation methodology approved in April 2016**

under decision point GF/B35/DP10 and set forth in Annex 1 to GF/B35/05 – Revision 1.

2. **Based on the recommendation of the Strategy Committee (the “SC”) and the amount of sources of funds for allocation recommended by the Audit and Finance Committee (the “AFC”) in GF/B36/XX, the Board decides USD 800 million will be available for catalytic investments over the 2017 – 2019 allocation period for the priorities and associated costs presented in Table 1 of GF/B36/XX, of which no portion will be moved to further balance scale up, impact and paced reductions through country allocations.**
3. **The Board notes any reallocation of the associated costs among the approved priorities will be presented by the Secretariat to the SC for approval and requests the Secretariat to update the SC and Board on operationalization of catalytic investments.**

Budgetary implications not applicable

Decision Point: GF/SCo2/EDPo2 Appointment of New Members of the Technical Review Panel (Approved)

1. Based on the recommendation of the Strategy Committee’s Working Group on Technical Review Panel (the “TRP”) Matters, as set forth in GF/SCo2/ERO1, the Strategy Committee (the “SC”):
 - a. Approves the appointment of the individuals presented in Annex 1 to GF/SCo2/ERO1 as members of the TRP in accordance with the amended and restated terms of reference of the TRP, as set forth in Annex 1 to GF/SCo2/07 – Revision 3 and approved by the SC in October 2016 (GF/SCo2/DPo2); and
 - b. Acknowledges the individuals listed in Annex 2 to GF/SCo2/ERO1 may be presented to the SC for future appointment as members of the TRP should vacancies or other appointment needs arise prior to the next recruitment process for the TRP’s membership.

Budgetary implications not applicable.

Decision Point GF/SCo2/EDPo3: Recommendation on Performance Targets for KPIs 1, 2 and 8 for the 2017 – 2022 Strategic Key Performance Indicator Framework (Approved with one abstention from Private Foundations)

1. The Strategy Committee (the “SC”) notes its discussion in October 2016 on the Secretariat’s presentation of performance targets for the 2017 – 2022 Strategic Key Performance Indicator (the “KPI”) Framework, as set forth in GF/SCo2/11a, and the approach by which targets for Strategic KPIs 1, 2 and 8 would be set following the SC’s October 2016 meeting.
2. Based on its review and discussion of the Secretariat’s recommendations, the SC:

a. Acknowledges the approach for deriving the performance targets for Strategic KPIs 1, 2 and 8, as set forth in Table 1 of GF/SCo2/ERo2 – Revision 1 (the “Strategic Targets”), including the modelling assumptions and key inputs outlined in Annexes 1, 2 and 3 of GF/SCo2/ERo2 – Revision 1; and

b. Agrees to recommend the Strategic Targets, which are expressed as point estimates together with uncertainty ranges, to the Board for approval at its November 2016 meeting with the decision point approved for presentation to the Board during the SC’s October 2016 meeting under decision point GF/SCo2/DPo5 and set forth in GF/SCo2/11a.

Decision Point GF/SCo2/EDPo4: Recommendation on Performance Targets for KPI 9b for the 2017 – 2022 Strategic Key Performance Indicator Framework (Decision not approved)

1. The Strategy Committee (the “SC”) notes its discussion in October 2016 on the Secretariat’s presentation of performance targets for the 2017 – 2022 Strategic Key Performance Indicator (the “KPI”) Framework, as set forth in GF/SCo2/11a, and the approach by which targets for Strategic KPI 9b would be set following the SC’s October 2016 meeting.
2. Based on its review and discussion of the Secretariat’s recommendations, the SC agrees to recommend the performance targets for Strategic KPI 9b, as set forth in Table 1 in GF/SCo2/ERo3 (the “Strategic Targets”), for approval by the Board at its November 2016 meeting with the decision point approved for presentation to the Board during the SC’s October 2016 meeting under decision point GF/SCo2/DPo5 and set forth in GF/SCo2/11a.

Follow-up to Committee Decisions

Report on Allocation Methodology 2017-2019: Update on Smooth Country Economic Capacity (CEC) Curve

At its 17th meeting in March 2016, the Strategy, Investment and Impact Committee (SIIC) approved allocation-formula parameters for the 2017 – 2019 allocation period, including indicators for country economic capacity (GF/SIIC17/DPo5).

The SIIC also requested that the Secretariat report to the Strategy Committee on the final revised curve to be used as an allocation-formula parameter for the 2017 – 2019 allocation period. The Report *Allocation Methodology 2017-2019_ Update on Smooth CEC Curve* was shared with the Strategy Committee on 27 September 2016, and is available on Strategy Committee site on the OBA Portal.

Activities	Deliverables	2016			2017				2018			
		Q2 - 2016	Q3 - 2016	Q4 - 2016	Q1 - 2017	Q2 - 2017	Q3 - 2017	Q4 - 2017	Q1-2018	Q2-2018	Q3-2018	Q4-2018
2. GOVERNANCE OVERSIGHT												
2.1.8 Nomination of Committee Membership	The Coordinating Group will support the selection of Committee Members and facilitation of Committee functions by: a. Consulting with the Chair and Vice-Chair of the Board on the potential candidates identified to serve as Committees Members, prior to the Chair and Vice-Chair of the Board presenting the selected candidates to the Board for approval; b. Facilitating continued engagement by Committee Members on tasks related to key topic areas between Committee meetings.	x								x		
2.3.1 Effective Coordination and Communication - Review of Board and committee meeting agendas, follow up on decisions and ensure effective communication	(a) Support to Board Leadership in Identifying priorities for Board and committee meeting agendas ahead of Board and committee meetings. (b) Discuss Board and Committee decisions and implementation status/follow up. (c) Instituting effective communication modalities for sharing information and advice and recommendations between the Board and the committees and amongst the committees		x		x		x		x		x	
2.3.34 Appropriate Documentation and Continuous Improvement of Board and Committee Practices	CG to support goal of relevant and timely dissemination of materials to the Board (in coordination with discussion of agenda): (a) prioritisation of reports to Board and Committees to ensure optimal use of resources in support of Governance Structures; and (b) Setting standards for optimal balance in length and simplicity of documentation to facilitate broad comprehension		x		x		x		x		x	
4. ASSESSMENT OF ORGANIZATIONAL PERFORMANCE												
4.2.7 Oversight of institutional performance by Coordinating Group - monitoring oversight of KPIs by the three committees	The CG will support the Board's core function of setting the GF's performance assessment framework through: (a) Monitoring/tracking routine oversight by the Board's committees of key performance indicators falling within the specific mandate of each committee; (b) For KPIs that have a crosscutting element, ensuring a high-level of inter-committee collaboration to ensure the Board's ability to assess overall corporate performance through a single information source; and (c) As required, making recommendations to the Board on possible adjustments to the (KPI) performance assessment framework to strengthen Board and committee oversight of performance.		x		x		x		x		x	
5. RISK MANAGEMENT												
5.1.3 Ensure cross-committee collaboration and coordination in identification and management of risk	Regular discussion and coordination to ensure effective oversight of risk management in each committee and coordination across the committees using the risk register and risk reports to the Board,		x					x				
COORDINATING GROUP ADMINISTRATION, COMMUNICATION												
CG Virtual Meetings	Participate in CG Virtual Meetings 1x/6 weeks	x	x	x	x	x	x	x	x	x	x	x
Monthly Newsletter to Board	Provide input on committee activities and review monthly newsletter sent to the Board	x	x	x	x	x	x	x	x	x	x	x
Report to the Board	Provide input on committee results and review bi-annual CG report shared with the Board			x		x		x		x		x