
Report of the Coordinating Group

42nd Board Meeting

GF/B42/15

14-15 November 2019, Geneva, Switzerland

Board Information

Purpose of the paper: This report provides a summary update on Coordinating Group activities for the period between the 41st and the 42nd Board Meetings (May-October 2019), and overview of decisions taken by the three committees in this period.

Context

1. This report provides an update to the Board on the activities of the Global Fund Coordinating Group (“CG”). As identified in its Terms of Reference,¹ the CG is a mechanism for coordination between the Board and its Committees, to ensure effective collaboration, particularly with regard to cross-cutting issues, with the overall objective of enabling strategic focus across all governance bodies.
2. The CG’s composition changed in May 2019, following the appointment of Dr Donald Kaberuka and Lady Roslyn Morauta as Board Chair and Vice-Chair. Since their appointment, the Board Leadership convened two in-person CG meetings, and engaged regularly with the Chairs and Vice-Chairs of the committees. The Executive Director is also engaged in CG discussions, ensuring consideration of Secretariat and management perspectives in the strategic discussions of governance leadership.
3. A list of decisions adopted by the standing Committees between the 41st and 42nd Board meetings (17 May – 21 October 2019) is included in annex. Minutes of CG meetings are shared with all constituencies via the OBA portal.²

What are the focus areas for the Coordinating Group?

4. As the meeting point for the leaders of the Board, the Committees, and the Executive Director, the CG’s role is central to ensuring that all governance bodies are positioned to best support the achievement of the Global Fund’s strategic objectives. In their [letter to the Board](#), the Board Chair and Vice Chair outlined priorities for their term. These priorities inform the focus of the Coordinating Group, with recent discussions framed in the following context:
 - i. The **SDG-era development landscape**, fundamental linkages between **health, security and education, new challenges, country contexts**, and the central importance of **domestic financing** for health and health systems;
 - ii. **Focus on impact and results**, continuous efforts to **maximise impact**, and the role of **independent evaluation** in nurturing a learning organization focused on improved performance.
 - iii. **Global Fund governance** structures, the reliance of the Board on effective committees, and sensitivity to enabling a more **empowered Management**;
 - iv. Elevating the **strategic focus** of the Board and committees, to enable the Secretariat to **deliver on the Strategy**
 - v. **Culture** as a collective responsibility and opportunity for learning, enabling increased Board effectiveness in support of strategic objectives.
5. In the above context, CG meeting time has focused on:
 - i. Exploring **Board and committee priorities** and focus, with the CG serving as a forum for cross-committee input, and strategic guidance from peers;
 - ii. Shaping the **agenda for the 42nd Board Meeting**, with consideration of constituency inputs during the consultation period; and
 - iii. Considering measures and modalities to continue to raise the **strategic focus of Board meetings** in order to maximize efficiency, effectiveness, and use of Board member expertise and experience.
6. **42nd Board Meeting**. Guiding the development of the agenda for the 42nd Board Meeting, the CG reviewed input received from constituencies during the consultation period. The group focused in particular on the following:
 - i. Reaching consensus on the EGC’s proposal on strengthening committee selections processes.

¹ [Terms of Reference of the Coordinating Group](#)

² [Coordinating Group Meeting Minutes](#)

- ii. The approach to oversight of sustainability, transition and co-financing matters. The group recognised the need to balance a holistic approach to oversight of cross-cutting strategic matters, with focus on a mission-critical issue.
 - iii. Consideration of the forward-looking approach to the operating expenses budget, to ensure necessary budgetary efficiency is balanced with enabling effectiveness and availability of appropriate resources for priorities, including those mandated by the Board.
7. **6th Replenishment.** Together with the Executive Director, the group has reflected on the role of the strong Investment Case and appropriately-defined target; the impressive leadership role of President Macron, and the French government and diplomatic networks; the significant impact of civil society; and the impact of early pledges in building momentum. Looking ahead, and recognizing the strong expression of donor support, CG members emphasized commitment to maximizing impact of Global Fund financing, ensuring the organization is best placed to deliver on its mission, for the people we serve. Partnership, innovation, and coordination, particularly at country level, remain imperative.

What are the Committee Priorities?

8. The CG facilitates alignment and focus of committee priorities in support of Board effectiveness and organizational impact. Committee priorities are discussed and reviewed together by the CG. Current priorities are briefly described as follows:

Audit and Finance Committee

9. The AFC's principal focus is on the effectiveness of the Global Fund's **assurance model and associated systems**. With good progress on risk management and the balance between the three lines of defence, focus is now reaching an embedded maturity level by the target date of end-2019. This will require a cohesive framework of strategic and operational assurance, in support of operational effectiveness and balancing fiduciary and programmatic risk. This work takes place with a view to enabling improved differentiation, and empowering the Secretariat to act swiftly in response to risk.
10. Further AFC priorities include the **ongoing resource mobilization** strategy and **domestic resource mobilization**; defining the **sources and uses of funds** for the next allocation cycle (recommended to the Board at this 42nd meeting); and ongoing financial oversight.

Ethics and Governance Committee

11. **Governance effectiveness.** The EGC continues work to embed governance strengthening activities identified in the Governance Action Plan, remaining focused on the governance bodies' role in effectively supporting maximum impact of Global Fund investments in health. Into 2020, the EGC will prioritize attention to questions regarding **Board composition**, and **committee mandates** in the context of clear and effective roles and responsibilities across the governance structures.
12. The work on **governance culture** remains central, exploring and strengthening the relationship between Board, committees and Secretariat, and the role of culture in upholding strategic focus.
13. The EGC is taking a holistic approach to **selection processes based on principles not prescription**, to enable balance of representation, continuity and renewal, and to lighten operational and transition burdens. The committee remains attentive to:
- i. Reaching consensus on a robust and equitable competency-based **committee selection process**, balancing constituency interests, and ensuring the right skills at committee level.
 - ii. Implementing adjustments to the **Board leadership selection process** based on lessons learned, to enable a fully unified and confidential process, in line with best practice, and anchored in trust in an empowered and representative nominations committee.
 - iii. **Term lengths** across governance bodies and roles.

Strategy Committee

14. **Strategy implementation.** Three years into the Strategy, with policy decisions taken, the emphasis is now on ensuring effective implementation, and adjusting where necessary to support delivery. The Strategy Committee continues to draw on multiple sources to inform oversight of strategy implementation and results, spending significant time on deep dives supported by comprehensive and complementary reviews conducted by the Technical Evaluation Reference Group, the Technical Review Panel and the OIG, as well as Secretariat reporting.
15. Several thematic priorities serve as “lenses” for Strategy Committee discussions and deliberations. In particular, **Sustainability, Transition and Co-Financing (STC)**, Strategic Objective 3, **human rights and gender equality**, and enabling **country ownership** of the response to the three diseases.
16. The committee is looking ahead to the next **Strategy development process**, with emphasis on a robust, consultative and inclusive strategy development process, and on ensuring the Board has the necessary information to support its decision on the next Strategy, and associated Key Performance Indicators. This includes data and analysis from countries and partner organizations.

How will the Coordinating Group support Board priorities into 2020 and beyond?

17. Considering upcoming Board priorities, the CG’s attention will remain focused on enabling strategic focus at Board and committee level overall, and supporting the priorities of the committees as outlined above. Particular attention is expected with regard to:
 - i. **Preparing for the next Strategy**, reflecting on how governance bodies are prepared for the critical and challenging discussions and decisions ahead in 2020-2022.
 - ii. **Enabling Board discussion on the Global Fund model and role, with focus on partnership** both globally and at country level, in context of Universal Health Coverage, the SDGs, and the Global Action Plan. The Agenda of the 42nd Board Meeting introduces interactive and cross-cutting discussion sessions in support of this objective.
 - iii. Facilitating Board consideration of the Global Fund’s overall **monitoring and evaluation approach**, linked to broader conversations on the Global Fund model, and supported by appropriate oversight and assurance structures.
 - iv. **Governance selection processes.** Specifically, the selection and appointment of **Committee Chairs, Vice-Chairs and members** for the 2020-2022 term, and smooth **transition** between committee terms.

Annex 1: Committee Decisions adopted between the 41st and 42nd Board meetings (available on the [Portal](#))

Annex 1 to GF/B42/15:

Committee Decisions adopted between the 41st and 42nd Board meetings (17 May 2019 to 28 October 2019)

Decision Points approved by the Audit and Finance Committee between the 41st and 42nd Board Meetings	
DP Ref. No.	Title
10th AFC Meeting, 16-17 July 2019	
GF/AFC10/DP01	External Audit Plan
GF/AFC10/DP02	Methodology for the Announced 6th Replenishment Results
11th AFC Meeting, 15-16 October 2019	
GF/AFC11/DP01	2019 Interim Financial Statements
GF/AFC11/DP02	Portfolio Optimization
GF/AFC11/DP03	2020 OIG Work plan, Budget and KPI
GF/AFC11/DP04	2020 Operating Expenses Budget
GF/AFC11/DP05	Key Performance Indicator 10: Resource Mobilization
GF/AFC11/DP06	Key Performance Indicator 12a
GF/AFC11/DP07	Key Performance Indicator 12b
GF/AFC11/DP08	Recommendation on the Sources of Funds for the 2020–2022 Allocation Period

10th Audit and Finance Committee Meeting Decision Points

<p><u>Decision Point: GF/AFC10/DP01: Approval of the External Audit Plan</u></p> <p>The Audit and Finance Committee (the “AFC”) acknowledges its review and approves the External Audit Plan, as set forth in GF/AFC10/04.</p>
<p><u>Decision Point GF/AFC10/DP02: Approval of the Methodology for the Announced 6th Replenishment Results</u></p> <p>1. The Audit and Finance Committee (the “AFC”) acknowledges its review of the methodology for determining the Announced 6th Replenishment Results and, in accordance with the</p>

delegated authority under the Comprehensive Funding Policy, approves the following proposed methodology:

- a. The Secretariat shall announce the results of the 6th Replenishment Conference using reference exchange rates equal to the spot rate of currencies other than the United States Dollars on the day of the Global Fund's 6th Replenishment Conference; and
 - b. The Announced 6th Replenishment Results shall be the aggregate sum of all donor pledges received on or before the date of the 6th Replenishment Conference converted to United States Dollars using the exchange rate described under subsection (a) above.
2. Capitalized terms in this Decision Point, unless defined herein, shall have the meanings given to them in the Comprehensive Funding Policy.

11th Audit and Finance Committee Meeting Decision Points

Decision Point: GF/AFC11/DPO1: Approval of the 2019 Interim Financial Report

The Audit and Finance Committee authorizes the issuance of, and therefore approves, the Global Fund's 2019 Interim Financial Report, which includes the Interim Condensed Consolidated Financial Statements as at and for the period ended 30 June 2019 that have been reviewed by KPMG SA, as set forth in Annex 1 to GF/AFC11/02.

This decision was approved during the AFC decisional call on September 17, 2019.

Decision point: GF/AFC11/DPO2: Approval of Available Sources of Funds for Portfolio Optimization and Financing Unfunded Quality Demand for the 2017-2019 Allocation Period

Based on its review and discussion of the Secretariat's analysis of sources and uses of funds, as presented in GF/AFC11/04 – Part A, the Audit and Finance Committee, in accordance with its delegated authority from the Board under the Comprehensive Funding Policy, pursuant to GF/B36/DPO4 and presented in Annex 1 to GF/B36/02 – Revision 1, approves US\$ 150 million as available sources of funds for financing prioritized and costed areas of need on the register of unfunded quality demand for the 2017-2019 allocation period, according to the prioritization process adopted by the Strategy Committee, pursuant to GF/SCO4/DPO2 and as presented in Annex 1 to GF/SCO4/04 – Revision 2.

Decision Point: GF/AFC11/DPO3: Approval of the OIG's 2020 Work Plan, Budget and Key Performance Indicators

The Audit and Finance Committee (the "AFC"):

- a. approves the 2020 work plan of the OIG set forth in Section VIII of GF/AFC11/11;
- b. approves the inclusion of the OIG's 2020 operating expenses budget, in the amount of US\$15.24 million, in the 2020 Operating Expenses Budget of the Global Fund (the "2020 OPEX Budget") to be recommended by the AFC to the Board for approval at the forty-second Board meeting in November 2019;
- c. approves the 2020 Key Performance Indicators for the OIG set forth in Section VIII of GF/AFC11/11.

Decision Point GF/AFC011/DPO4: Recommendation on the 2020 Work Plan, Budget Narrative and the 2020 Operating Expenses Budget

1. The Audit and Finance Committee (the “AFC”):
 - a. Acknowledges its review and discussion of the 2020 Work Plan and Budget Narrative, as set forth in GF/AFC11/05 – Part A, and decides to recommend it to the Board for approval at its forty-second meeting in November 2019;
 - b. Decides to recommend the 2020 Operating Expenses Budget, in the amount of US\$ 305 million, as set forth in GF/AFC11/05 – Part B, to the Board for approval at its forty-second meeting in November 2019;
 - c. Notes its approval of including the Office of the Inspector General’s 2020 budget, in the amount of US\$ 15.24 million, in the 2020 Operating Expenses Budget (GF/AFC11/DPO3); and
 - d. Notes the AFC’s ongoing expectation that the operating expenses will be managed within US\$ 900 million limit over the 2020-2022 period, pending review of this limit.
2. Accordingly, the AFC recommends the following decision point to the Board for approval at its forty-second meeting in the November 2019:

Decision Point: GF/42/DPXX: 2020 Work Plan, Budget Narrative and the 2020 Operating Expenses Budget

Based on the recommendation of the Audit and Finance Committee, the Board approves the following:

1. *2020 Work Plan and Budget Narrative, as set forth in GF/B42/XX; and*
2. *The 2020 Operating Expenses Budget in the amount of US\$ 305 million, as set forth in GF/B42/XX (the “2020 OPEX Budget”), which: includes US\$ 15.24 million for the Office of the Inspector General’s 2020 operating expenses.*

Decision Point: GF/AFC11/DPO5: Wording Revision and Confirmation of Target for Key Performance Indicator 10: Resource Mobilization

1. Based on its review and discussion of the proposal presented by the Secretariat, the Audit and Finance Committee (the “AFC”) recommends that the Board approve the wording revision and performance target for Key Performance Indicator 10 as set forth in GF/AFC11/15B.
2. Accordingly, the AFC recommends the following decision point to the Board for approval at its forty-second meeting in November 2019:

GF/B42/DPXX: Key Performance Indicator 10: Resource Mobilization

Based on the recommendation of the Audit and Finance Committee, the Board approves the wording revision and performance target for Key Performance Indicator 10 as presented in GF/B42/XX.

Decision Point: GF/AFC11/DPO6: Indicator Revision and Performance Target for Key Performance Indicator 12a: Availability of affordable health technologies: Availability

1. Based on its review and discussion of the proposal presented by the Secretariat, the Audit and Finance Committee (the “AFC”) recommends that the Board approve the indicator revision and performance target for Key Performance Indicator 12a as set forth in GF/AFC11/08b.
2. Accordingly, the AFC recommends the following decision point to the Board for approval at its forty-second meeting in November 2019:

GF/B42/DPXX: Key Performance Indicator 12a: Availability of affordable health technologies: Availability

Based on the recommendation of the Audit and Finance Committee, the Board approves the indicator revision and performance target for Key Performance Indicator 12a as presented in GF/B42/XX.

Decision Point: GF/AFC11/DPO7: Indicator Revision and Performance Target for Key Performance Indicator 12b: Availability of affordable health technologies: Affordability

1. Based on its review and discussion of the proposal presented by the Secretariat, the Audit and Finance Committee (the “AFC”) recommends that the Board approve the 2020 performance target for Key Performance Indicator 12b as set forth in GF/AFC11/14.
2. Accordingly, the AFC recommends the following decision point to the Board for approval at its forty-second meeting in November 2019:

GF/B42/DPXX: Key Performance Indicator 12b: Availability of affordable health technologies: Affordability

Based on the recommendation of the Audit and Finance Committee, the Board approves the 2020 performance target for Key Performance Indicator 12b as presented in GF/B42/XX.

Decision Point: GF/AFC11/DPO8: Recommendation on the Sources of Funds for the 2020–2022 Allocation Period

1. Based on its review and discussion of the Secretariat’s analysis of the sources of funds for the 2020-2022 allocation period, the Audit and Finance Committee (the “AFC”) recommends to the Board that the following amounts are available sources of funds for allocation for the 2020-2022 allocation period, in accordance with the Comprehensive Funding Policy set forth in Annex 1 to GF/B36/02 – Revision 1 and approved through decision point GF/B36/DPO4:
 - i. USD 13.25 billion, derived from the announced replenishment results of the Sixth Replenishment (2020-2022), net of certain adjustments; and
 - ii. USD 0.65 billion of forecasted unutilized funds from the 2017-2019 allocation period;
 - iii. To which a reduction of USD 0.90 billion of forecasted aggregate operating expenses for the 2020-2022 allocation period is applied.

2. Additionally, in order to help ensure the maximum amount of impact and use of funds over the 2020-2022 allocation period and in anticipation of there being forecasted unutilized funds on an aggregated portfolio basis during the 2020-2022 allocation period, the AFC recommends that an additional USD 0.60 billion be included in the amount used to determine country allocations pursuant to the Allocation Methodology for the 2020-2022 Allocation Period as approved through decision point GF/B41/DPO3.
3. Accordingly, the AFC recommends the provisions on sources of funds contained in the following decision point to the Board for approval at the Board's November 2019 meeting:

GF/B42/DPXX: Sources and Uses of Funds for the 2020-2022 Allocation Period

1. *Based on the recommendation of the Audit and Finance Committee (the "AFC"), as presented in GF/B42/XX, the Board decides the amount of sources of funds for allocation for the 2020-2022 allocation period is USD 13.00 billion, comprised of the following amounts, in accordance with the Comprehensive Funding Policy set forth in Annex 1 to GF/B36/02 – Revision 1 and approved through decision point GF/B36/DPO4:*
 - i. *USD 13.25 billion, derived from the announced replenishment results of the Sixth Replenishment (2020-2022), net of certain adjustments; and*
 - ii. *USD 0.65 billion of forecasted unutilized funds from the 2017-2019 allocation period.*
 - iii. *To which a reduction of USD 0.90 billion of forecasted aggregate operating expenses for the 2020-2022 allocation period is applied.*
2. *Based on the recommendation of the Secretariat, made in accordance with its delegated authority from the Board pursuant to decision point GF/B41/DPO4, the Board approves the use of an additional USD 0.09 billion for the 2020-2022 allocation period's catalytic investments, bringing the total amount for catalytic investments for the 2020-2022 allocation period to USD 0.89 billion, to be made available for the priorities and associated costs set forth in Annex [1] of GF/B42/XX.*
3. *Additionally, based on the recommendation of the AFC and to help ensure the maximum amount of impact and use of funds over the 2020-2022 allocation period, the Board requests that the Secretariat include an additional USD 0.60 billion in the amount used to determine country allocations pursuant to the Allocation Methodology for the 2020-2022 Allocation Period as approved pursuant to GF/B41/DPO3 (the "Allocation Methodology").*
4. *Accordingly, the Board decides the amount of sources of funds for country allocation for the 2020-2022 allocation period is USD 12.11 billion, to which USD 0.60 billion will be added prior to determining the country allocation, to be used in accordance with the Allocation Methodology and decision point GF/B41/DPO3.*

Decision Points approved by the Ethics and Governance Committee between the 41st and 42nd Board Meetings	
DP Ref. No.	Title
10th EGC Meeting, 15-16 July 2019	
GF/EGC10/DP01	Approval of the Overall Funding Ceiling for Constituencies 2020-2022 Funding Cycle
11th EGC Meeting, 14-15 October 2019	
GF/EGC11/DP01	Approval of the 2020 Ethics Function Work Plan and Associated Operating Expenses Budget
GF/EGC11/DP02	Revisions to the Committee Leadership and Membership Selection Processes, the Due Diligence Process and the EGC Size and Composition
GF/EGC11/EDP01	Proposal by the EGC on Committee Leadership Selection Processes, Due Diligence Processes and EGC Size and Composition

10th Ethics and Governance Committee Meeting Decision Points

Decision Point: GF/EGC10/DP01: Approval of the Overall Funding Ceiling for the 2020-2022 Funding Cycle

1. The EGC recalls the authority delegated by the Board (GF/BM36/EDP02) to the EGC for the approval of the Overall Funding Ceiling under the Constituency Funding Policy.
2. Based on the recommendation of the Secretariat, the EGC approves an Overall Funding Ceiling of USD 4,370,000 for the 2020-2022 Funding Cycle.

Budgetary implications (included in, or additional to, OPEX budget): An estimated annual average of USD 1,457,000 will be included in the OPEX budget for each year of the 2020-2022 funding cycle to support activities covered under the Constituency Funding Policy.

11th Ethics and Governance Committee Meeting Decision Points

Decision Point GF/EGC11/DP01: Approval of the 2020 Ethics Function Work Plan and Associated Operating Expenses Budget

1. The Ethics and Governance Committee (the “EGC”) approves the 2020 Work Plan for the Ethics Function, as presented in GF/EGC11/08.
2. The EGC recommends to the Audit and Finance Committee the 2020 operating expenses budget associated with the work plan, in the amount of USD 1,661,303, for inclusion in the Global Fund’s overall 2020 operating expenses budget which will be presented to the Board for approval at its 42nd meeting in November 2019. In doing so, the EGC notes that the Board has approved USD 1,219,700 funding over a three-year period for the implementation of the Code of Ethical Conduct for Country Coordinating Mechanism Members as an ongoing Strategic Initiative, pursuant to Board decision GF/B39/DP09 (May 2018).

Decision Point: GF/EGC11/DPO2: Revisions to the Committee Leadership and Membership Selection Processes, the Due Diligence Process and the EGC Size and Composition (superseded)

1. The Ethics and Governance Committee (the “EGC”) thanks the EGC Working Group on Committee Selection Processes (the “EGC WG”) for the recommendations regarding revisions to the committee leadership and membership selection processes, the due diligence process and the EGC size and composition which are set out in this report GF/EGC11/05-Revision 2 and expresses its satisfaction with the said recommendations.
2. The EGC endorses: (i) the proposed amendments to the Operating Procedures of the Board and Committees of the Global Fund set out in Annex 1 of this report; (ii) the proposed amendments to the Charter of the EGC set out in Annex 2 of this report; (iii) the proposed amendments to the Charter of the Audit and Finance Committee set out in Annex 9 of this report; (iv) the proposed amendments to the Charter of the Strategy Committee set out in Annex 10 of this report; and (v) the due diligence process overview set out in Annex 4 of this report.
3. Accordingly, the EGC recommends the following decision point to the Board for approval:

GF/B41/EDPXX: Revisions to the Committee Leadership and Membership Selection Processes, the Due Diligence Process and the EGC Size and Composition

1. *The Board approves (i) the proposed amendments to the Operating Procedures of the Board and Committees of the Global Fund (“BCOP”) set out in Annex XXX of GF/B41/ERXX; (ii) the proposed amendments to the Charter of the Ethics and Governance Committee (“EGC Charter”) set out in Annex XXX of GF/B41/ERXX; (iii) the proposed amendments to the Charter of the Audit and Finance Committee (“AFC Charter”) set out in Annex XXX of GF/B41/ERXX; and (iv) the proposed amendments to the Charter of the Strategy Committee (“SC Charter”) set out in Annex XXX of GF/B41/ERXX.*
2. *The Board endorses the due diligence process overview set out in Annex XXX of GF/B41/ERXX.*
3. *The proposed amendments to the BCOP shall enter into force upon the adoption of this decision point, with the exception of article 43.4 of the BCOP which shall enter into force upon the expiry of the term of the current EGC, AFC and SC in May 2020. The proposed amendments to the EGC Charter, the AFC Charter and the SC Charter shall enter into force upon the expiry of the term of the current EGC, the AFC and SC in May 2020.*

Budgetary implications: Trusted source inquiries carried out in line with the revised due diligence process could have resource implications of around CHF 50 000.

Ethics and Governance Committee Electronic Decision Points

Electronic Decision Point GF/EGC11/EDP01 - Proposal by the EGC on Committee Leadership Selection Processes, Due Diligence Processes and EGC Size and Composition

The Ethics and Governance Committee:

1. Decides to withdraw the decision adopted during its 11th meeting in October 2019 – GF/EGC11/DPO2: Revisions to the Committee Leadership and Membership Selection Processes, the Due Diligence Process and the EGC Size and Composition.

2. Recommends to the Board for approval the decision point set out in GF/B41/ER11 – GF/B41/EDP15: Revisions to the Committee Leadership Selection Process, the Due Diligence Process and the EGC Size and Composition.

GF/B41/EDP15: Revisions to the Committee Leadership Selection Process, the Due Diligence Process and the EGC Size and Composition

1. The Board approves (i) the proposed amendments to the Operating Procedures of the Board and Committees of the Global Fund (“BCOP”) set out in Annex 1 of GF/B41/ER11; and (ii) the proposed amendments to the Charter of the Ethics and Governance Committee (“EGC Charter”) set out in Annex 2 of GF/B41/ER11.
2. The Board endorses the due diligence process overview set out in Annex 4 of GF/B41/ER11.
3. The proposed amendments to the BCOP shall enter into force upon the adoption of this decision point. The proposed amendments to the EGC Charter shall enter into force upon the expiry of the term of the current EGC in May 2020.

Budgetary implications: Trusted source inquiries carried out in line with the revised due diligence process could have resource implications of around CHF 50 000.

Decision Points approved by the Strategy Committee between the 41st and 42nd Board Meetings	
DP Ref. No.	Title
10th SC Meeting, 18-19 July 2019	
GF/SC10/DP01	Reallocation of Funding to the Emergency Fund for the 2017-2019 Allocation Period
GF/SC10/DP02	Approval of the Qualitative Adjustment Process for the 2020-2022 Allocation Period
GF/SC10/DP03	Recommendation on the Eligibility of Venezuela’s Malaria Component for the 2020-2022 Allocation Period
11th SC Meeting, 17-18 October 2019	
GF/SC11/DP01	Recommendation of Additional Funding to Address the Health Crisis in Venezuela
GF/SC11/DP02	Approval of modifications to the Terms of Reference (including Review Criteria) of the Technical Review Panel
GF/SC11/DP03	Technical Evaluation Reference Group Annual Work Plan 2020
GF/SC11/DP04	Evolving the wambo.org pilot for non-Global Fund-financed orders

10th Strategy Committee Meeting Decision Points

Decision Point GF/SC10/DP01: Reallocation of Funding to the Emergency Fund for the 2017-2019 Allocation Period

Pursuant to its delegated authority under GF/B36/DP06, the Strategy Committee decides that a total of USD 6 million be reallocated to the Emergency Fund (as described in GF/B36/04 – Revision 2) for the 2017-2019 allocation period, with USD 4 million being reallocated from Strategic Initiative “1.2 PSM - Innovation Challenge Fund” and USD 2 million being reallocated from Strategic Initiative “1.3 PSM - Developing Local Resources”.

Decision Point GF/SC10/DP02: Approval of the Qualitative Adjustment Process for the 2020-2022 Allocation Period

1. The Strategy Committee notes the Board’s request, in its May 2019 approval of the allocation methodology (GF/B41/DP03), for the Strategy Committee to review and approve the method by which the Secretariat will apply and report on the qualitative adjustment process.
2. Based on the recommended approach for the qualitative adjustment process, as presented in GF/SC10/02, and the Strategy Committee’s review and discussion at its July 2019 meeting, the Strategy Committee approves the qualitative adjustment process for the 2020-2022 allocation period, as set forth in Annex 1 to GF/SC10/02.

Decision Point GF/SC10/DP03: Recommendation on the Eligibility of Venezuela’s Malaria Component for the 2020-2022 Allocation Period

Based on its review of the Secretariat and technical partners’ analysis and recommendation, as presented in GF/SC10/09, the Strategy Committee recommends the following decision point to the Board for approval:

Electronic Board Decision Point: GF/BXX/EDPXX: Eligibility of Venezuela’s Malaria Component for the 2020-2022 Allocation Period

Based on the recommendation of the Strategy Committee described in [GF/BXX/XX], the Board:

1. *Notes that the Eligibility Policy (GF/B39/02) provides that certain non-eligible countries may be recommended to be eligible for malaria in the event of a significant resurgence in malaria cases;*
2. *Acknowledging the Secretariat and technical partners’ recommendation described in [GF/BXX/XX], decides that Venezuela’s malaria component will be eligible for funding for the 2020-2022 allocation period due to significant resurgence; and*
3. *Notes that any resultant grant(s) will be subject to and governed by existing policy and processes.*

Budgetary implications: If Venezuela receives an allocation, funds to come from available sources of funds for 2020-2022 country allocations, however there will likely be future budgetary implications on Secretariat OPEX.

11th Strategy Committee Meeting Decision Points

Decision Point: GF/SC11/DPO1: Recommendation of Additional Funding to Address the Health Crisis in Venezuela

1. Acknowledging the Board's approval under GF/B39/DPO4 to consider potential extraordinary funding for non-eligible countries experiencing health crises, the Strategy Committee:
 - a) Acknowledges the Board's approval under GF/B39/EDP11 of a USD 5,000,000 investment for 2019 to support the procurement of critical HIV health products for Venezuela;
 - b) Confirms that the Secretariat's analysis of the continuing health crisis in Venezuela, as described in GF/SC11/09, which was developed in consultation with partners and civil society and submitted to the Strategy Committee in accordance with GF/B39/DPO4, meets the criteria described in GF/B39/03 – Revision 1; and
 - c) Determines that the potential impact of the proposed new investment of USD 6,000,000, as described in Annex 1 of GF/SC11/09, justifies funding the investment from funds that would otherwise be available for investment in prioritized areas of unfunded quality demand in eligible countries pursuant to GF/SC04/04 – Revision 2.
2. Accordingly, the Strategy Committee recommends the following decision point to the Board for electronic approval:

Electronic Board Decision Point: GF/BXX/EDPXX Approval of Additional Funding to Address the Health Crisis in Venezuela

The Board:

1. Expresses continuing concern about the public health crisis in Venezuela, a country that has been made eligible for Global Fund funding for malaria only for the 2020-2022 allocation period, under GF/B41/EDPO6, and its adverse impact on the fight against HIV, tuberculosis and malaria in Venezuela and the region;
2. Acknowledges the new proposal for exceptional funding presented by the Secretariat, and developed in consultation with partners and civil society, in accordance with the approach for potential engagement with non-eligible countries in crisis approved by the Board through GF/B39/DPO4;
3. Recognizes that the emergency circumstances in Venezuela continue to require unique implementation and management arrangements, which differ substantially from the standard Global Fund funding model and applicable policies, as described in GF/BXX/XX and Annex 1;
4. Accepts that the proposed implementation and management arrangements continue to entail unique risks, as described in GF/BXX/XX and Annex 1, including that the Office of the Inspector General will not be able to provide the Board with assurance, whether through audit or investigation work, over the funds disbursed under the proposed funding arrangements and that civil society oversight may not be able to provide adequate assurance as envisaged in GF/BXX/XX and Annex 1;
5. Based on the recommendation of the Strategy Committee, approves the investment and terms set forth in Annex 1, to provide an additional USD 6,000,000, for the year 2020, to support the procurement of critical HIV, TB and malaria health products for Venezuela and social monitoring of the investment; and
6. Calls for continuous engagement from relevant partners, donors and other stakeholders to further support a regional response to the health crisis in Venezuela.

Budgetary implications: USD 6,000,000, funded through available sources of funds identified by the Audit and Finance Committee under GF/AFC09/DPO1.

Decision Point: GF/SC11/DPO2: Approval of modifications to the Terms of Reference (including Review Criteria) of the Technical Review Panel

Based on the recommendation of the Strategy Committee Working Group on Technical Review Panel Matters, as presented in GF/SC11/11 – Revision 1, the Strategy Committee approves modifications to the Terms of Reference of the Technical Review Panel (the “TRP”), including to the review criteria of the TRP (the “Review Criteria”), as set forth in Annex 1 to GF/SC11/11 – Revision 1 (the “TRP Terms of Reference”).

The modified TRP Terms of Reference (including the Review Criteria) are effective as of the date of this decision.

Decision Point: GF/SC11/DPO3: Technical Evaluation Reference Group Annual Work Plan 2020

1. The Strategy Committee (the “SC”) approves the Technical Evaluation Reference Group’s (the “TERG”) Annual Work Plan 2020, as presented in GF/SC11/13 – Revision 1, as part of the TERG Evaluation Plan 2017-2022.
2. Accordingly, the SC acknowledges and recommends the 2020 TERG budget of USD 2.13 million, as outlined in GF/SC11/13 – Revision 1, which has been included in the Global Fund’s 2020 operating expenses budget that the Audit and Finance Committee has recommended to the Board for approval at its November 2019 meeting.

Budgetary implications (included in OPEX budget): USD 2.13 million is included in OPEX.

Decision Point: GF/SC11/DPO4: Evolving the wambo.org pilot for non-Global Fund-financed orders

1. The Strategy Committee (“SC”) acknowledges the status of the implementation of wambo.org for current Principal Recipients using wambo.org to procure with domestic funds as part of the pilot approved by the Board pursuant to GF/B37/DPO9, as the number of transactions was increased pursuant to GF/SC09/DPO1, as described in GF/SC11/07.
2. The SC reaffirms the importance of wambo.org and supports evolving the wambo.org pilot to further its development and advancement.
3. The SC recommends the following decision point to the Board for approval at its 42nd meeting in November 2019:

GF/B42/DPXX: Evolving the wambo.org pilot for non-Global Fund-financed orders

1. Based on the recommendation of the Strategy Committee as presented in GF/B42/XX, the Board:

(i) reaffirms the importance of wambo.org and supports evolving the wambo.org pilot approved by the Board pursuant to GF/B37/DPO9, as the number of transactions was increased pursuant to GF/SC09/DPO1, to further its development and advancement;

(ii) decides that, in connection with the evolution of the wambo.org pilot, wambo.org may be made available for non-Global Fund-financed orders by governments and non-government development organizations in Global Fund-eligible and transitioned countries, for all products, services and functionalities as they become available on wambo.org, subject, if applicable, to

agreement by the product catalogue owners, as described in GF/B42/XX, up to a cap of USD 50 million of transactions within the above scope from the date of this Decision Point; and

(iii) instructs the Secretariat to undertake consultations early in 2020, an evaluation of the wambo.org pilot in 2022 and bi-annual reporting on progress of the wambo.org pilot to the Strategy Committee.

2. The Board delegates to the Strategy Committee the authority to:

(i) approve a higher cap for transactions within the scope of Section 1(ii) above on a pilot basis prior to the consultations in 2020; and

(ii) establish the future parameters of the wambo.org pilot within the scope of Section 1(ii) above, based on the outcome of the 2020 consultations.

3. The Board requests the Secretariat to include the results of the evaluation referred to in Section 1(iii) in the development of a strategy for future advancement of wambo.org.

Budgetary implications (included in, or additional to, OPEX budget): none.