

Appointment of Rapporteur

Decision Point GF/B24/DP1:

His Excellency Ambassador Patrice Debré from France's constituency is designated as rapporteur for the Twenty-Fourth Board Meeting.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Patrice Debré
Rapporteur

Paula Hacopian
Secretariat

Approval of Agenda

Decision Point GF/B24/DP2:

The agenda for the Twenty-Fourth Board Meeting (GF/B24/1 Revision 1), as amended to discuss the current funding position, is approved.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Patrice Debré
Rapporteur

Paula Hacopian
Secretariat

High-Level Independent Review Panel

Decision Point GF/B24/DP3:

1. The Board thanks the High-Level Independent Review Panel (HLP) and its support team for their hard work in delivering to the Board the report titled “Turning the Page from Emergency to Sustainability” dated 19 September 2011 (the “HLP Report”).
2. The Board adopts the HLP Report and accepts the underlying analysis, noting that it presents a compelling case for a rapid and urgent transformation of the Global Fund. The HLP acknowledges the achievements of the Global Fund over the past decade, and the importance of ensuring its success.
3. The Board acknowledges that the Global Fund has significant weaknesses of fiduciary control and financial oversight, as identified in the HLP Report, and the Board is determined to take the necessary corrective actions to address these weaknesses. The Board takes note that the Executive Director and the Inspector General also agree with the HLP Report findings.
4. The Board recognizes that implementation of the HLP’s recommendations will require a detailed implementation plan, and that this should be informed by best-practice and draw on available experience.
5. To take forward the recommendations of the HLP, the Board decides to execute the following action plan immediately:
 - 5.1 Consistent with Recommendation 6.3 of the HLP Report (“Consolidate the Reform Agenda”) the Board Chair and Vice-Chair, with the Secretariat and the Office of the Inspector General (OIG), will develop a single, time-bound and costed Consolidated Transformation Plan which integrates other reform work streams currently underway with recommendations by the HLP into one single plan, which will include prioritized action items, deliverables, timelines, and parties responsible for the delivery of each item in a logical, coherent, manageable, efficient and timely manner;
 - 5.2 A draft of the Consolidated Transformation Plan will be circulated to the full Board for comment by 31 October 2011, and a final draft will be transmitted to the Board by 10 November 2011 for formal adoption at the Twenty-Fifth Board Meeting; and
 - 5.3 The Coordinating Group (see Paragraph 6.3.1.2 below) will be responsible for monitoring, tracking and reporting to the Board on progress of this Consolidated Transformation Plan until all action items are completed.

6. Acknowledging that they will be important components of the Consolidated Transformation Plan that will be approved in November 2011, the Board decides that the following key actions shall commence immediately, with status reports or decision points, as appropriate, being presented at the Twenty-Fifth Board Meeting:

6.1 The Secretariat and OIG will commence implementation of Recommendation 1 of the HLP Report (“Turn the Page from Emergency to Sustainable Response”), in close consultation with the Board Chair, Vice-Chair and Finance and Audit Committee (FAC);

6.2 The Board, Secretariat and OIG will commence implementation of Recommendation 2 of the HLP Report (“Define a Doctrine of Risk and Manage to It”), except Recommendations 2.3.iii.a-b of the HLP Report. The Board will give further consideration to Recommendations 2.3.iii.a-b of the HLP Report, taking into account the clarification provided by the HLP during the Twenty-Fourth Board Meeting;

6.3 The Board Chair and Vice-Chair, as part of their leadership of the Governance Reform process, will integrate Recommendation 3 of the HLP Report (“Strengthen Internal Governance”) into the Board Governance Plan they will finalize. To accelerate implementation of the Governance Reform process the Board:

6.3.1 Adopts Recommendation 3 of the HLP Report (“Strengthen Internal Governance”) with the following modifications to commence from 1 December 2011:

6.3.1.1 The existing four standing committees will be replaced by three standing committees titled and composed as follows:

- i. Strategy, Investment and Impact: ten voting members, five from the donor bloc and five from the implementer bloc, with a chair from the donor bloc;
- ii. Finance and Operational Performance: ten voting members, five from the implementer bloc and five from the donor bloc with a chair from the implementer bloc; and
- iii. Audit and Ethics – seven members, with four independent members, one of whom will be the Chair;

6.3.1.2 There will be a Coordinating Group comprised of Board and committee chairs and vice-chairs;

6.3.1.3 The Board leadership will have a casting vote on two of the committees, as follows:

- i. For the Strategy, Investment and Impact Committee, the Chair of the Board will have a casting vote; and
- ii. For the Finance and Operational Performance Committee, the Vice Chair of the Board will have a casting vote;

6.3.1.4 The terms of reference of the three committees will include the duties as recommended by the HLP Report and will be further developed under the leadership of the Board Chair and Vice-Chair. Ethics-related matters will be included in the terms of reference of the Audit and Ethics Committee; and

6.3.1.5 To optimize their performance, the committees can include ex-officio members of the Board and will have the ability to delegate operational matters to the Secretariat.

6.3.2. Requests the Chair and Vice-Chair to seek nominations from Board constituencies for the three Board Member seats of the Audit and Ethics Committee, and to identify three appropriately qualified persons as member-designates. The Board further requests the three member-designates to commence an open and transparent process to identify the four independent members of that committee, for recommendation to the Board for approval at the Twenty-Fifth Board meeting.

6.4 The Policy and Strategy Committee (PSC) and its Strategy Development Working Group will include Recommendation 4 of the HLP Report (“Institute a New Grant-Approval Process”) into the five-year Strategy that will be finalized and submitted to the Board for approval at the Twenty-Fifth Board Meeting; and

6.5 The Secretariat, in close and regular consultation with the Chair and Vice-Chair of the Board, FAC, PSC and OIG, will implement Recommendation 5 of the HLP Report (“Empower Middle-Management’s Decision-Making”) and Recommendations 6.1 and 6.2 of the HLP Report (“Measure Outcomes, Not Inputs” and “Focus on Quality and Value, Rather Than Quantity” respectively), and provide a progress report to the Board at the Twenty-Fifth Board Meeting.

7. In implementing these actions and recommendations, the Board expects the Global Fund Secretariat to pursue the overall objectives of aid-effectiveness,¹ to stabilize staff levels and to avoid any increase in general administrative overheads without the prior approval of the Board.

Signed:

Patrice Debré
Rapporteur

Paula Hacopian
Secretariat

¹ As set out in the OECD/DAC Paris Declaration and Accra Agenda for Action.

**Addressing Funding and Approval Process for Round 11,
Second Wave of National Strategy Applications (NSAs) and
Health Systems Strengthening Platform (HSFP)**

Decision Point GF/B24/DP4:

1. The Board recognizes uncertainties in relation to the expected funding envelope for Round 11, the Second Wave of NSAs and HSFP applications and notes that it has been revised downward to a current estimate of not more than US\$0.8 billion, which may not be available until the fourth quarter of 2013.
2. The Board and the Secretariat will examine options for modification of the application, renewal and approval processes for new and existing investments in light of these resource constraints, the recommendations of the High Level Panel and the Global Fund's strategy and reform processes. The Board will communicate the results of those deliberations no later than 1 December 2011. These deliberations will also consider options for reallocation of existing commitments to prioritize high-impact interventions, which could increase resources available for new investments.
3. As a result of the expected delay in availability of resources, the Board extends the application deadline for Round 11, the Second Wave of NSAs and HSFP applications until at least 1 March 2012.

This decision does not have material budgetary implications for the 2011 Operating Expenses Budget.

Signed:

Patrice Debré
Rapporteur

Paula Hacopian
Secretariat