

Appointment of Rapporteur

Decision Point GF/B27/DP1:

Dr Palitha Mahipala from the South East Asia constituency is designated as rapporteur for the Twenty-Seventh Board Meeting.

Signed:

Palitha Mahipala
Rapporteur

Gülen Newton
Secretariat

Approval of Agenda

Decision Point GF/B27/DP2:

The agenda for the Twenty-Seventh Board Meeting (GF/B27/1) is approved.

Signed:

Palitha Mahipala
Rapporteur

Gülen Newton
Secretariat

Approval of Report of the Twenty-Sixth Board Meeting

Decision Point GF/B27/DP3:

The report of the Twenty-Sixth Board Meeting (GF/B27/12 Revision 1) is approved.

Signed:

Palitha Mahipala
Rapporteur

Gülen Newton
Secretariat

Transitional Arrangements for the Affordable Medicines Facility - malaria

Decision Point GF/B27/DP4:

The Board refers to its earlier decision regarding the duration of Phase 1 of the Affordable Medicines Facility – malaria (“AMFm”) (GF/B22/DP13) and notes that Phase 1 will end on 31 December 2012.

The Board recognizes the importance of an orderly transition for those countries that are part of the Phase 1 pilot following its decision expected in November 2012 on whether to expand, accelerate, modify, terminate or suspend the AMFm business line. In order to support an orderly transition towards implementing the outcome of the November decision, the Global Fund will continue to host AMFm during a twelve-month transition period, and the Board will approve the details of the transition in November.

In order to support the transition period, the capacity of the Global Fund Secretariat to manage the activities of the AMFm shall be extended by twelve months (until 31 December 2013). The Board requests that the Secretariat include the appropriate budgetary implications of the extended mandate of the AMFm in the 2013 Operating Expenses Budget.

The incremental budgetary implications of this decision point for the 2013 Operating Expenses Budget amount to approximately US\$2.5 million to allow the Secretariat to support an orderly transition following the Board’s expected decision in November 2012.

Signed:

Palitha Mahipala
Rapporteur

Gülen Newton
Secretariat

**Revision to the Policy on Ethics and Conflict of Interest for Global Fund
Institutions**

Decision Point GF/B27/DP5:

The Board approves the revised Policy on Ethics and Conflict of Interest for Global Fund Institutions attached as Annex 1 of GF/B27/07 and the revised Declaration of Interest Form attached as Annex 2 of GF/B27/07 as updated to reflect the new Board Committee structure established with the Board's adoption of the Governance Reform at its Twenty-Fifth Meeting.

Signed:

Palitha Mahipala
Rapporteur

Gülen Newton
Secretariat

Amendments to the Charters of Audit and Ethics Committee and the Finance and Operational Performance Committee

Decision Point GF/B27/DP6:

1. The Board decides to amend the Charters of the Audit and Ethics Committee (the “AEC”) and the Finance and Operational Performance Committee (the “FOPC”) to reallocate the advisory and oversight responsibilities related to the external audit of the Global Fund’s annual financial statements between the AEC and FOPC, as set forth in Annexes 3 and 4 to GF/B27/07.
2. The AEC and FOPC Charters, as amended and set forth in Annexes 3 and 4 of GF/B27/07, shall be effective as of the date of this decision.

Signed:

Palitha Mahipala
Rapporteur

Gülen Newton
Secretariat

Evolving the Funding Model

Decision Point GF/B27/DP7:

The Board:

1. Adopts in principle the elements of the new funding model detailed in Annex 1.
2. Requests the SIIC to recommend to the Board at its Twenty-Eighth Meeting the additional elements of the new funding model so as to allow for its implementation beginning in 2013, based on funds available.
3. Requests regular evaluation of the new funding model.
4. Requests the SIIC to continue the work of evolving the business model of the Global Fund beyond the new funding model, enabling the full implementation of the new strategy.

Signed:

Palitha Mahipala
Rapporteur

Gülen Newton
Secretariat

Elements of a New Funding Model

Overarching Principles:

The Global Fund is developing a new funding model, consistent with the Global Fund *Strategy*, to allow the Global Fund to invest strategically and ensure an appropriate focus is placed on countries with the highest disease burden and least ability to pay, while retaining the global reach of the Global Fund. The new model will aim to foster predictability of process and financing, align with country-level schedules and priorities, create efficiencies and simplify the grant making and approval process, and allow for a full expression of quality demand. The new model should enhance participation by all stakeholders, including civil society, and will support continued funding for most-at-risk populations.

Funding Framework:

- 1. Establishment of Country Bands:** As part of its approval of the new funding model, the Board will agree on the principles for determining Country Bands (groups of countries) to ensure focus is placed on countries with the highest disease burden and least ability to pay.
- 2. Allocation of Available Funding:** The Board will undertake, on a regular basis, a strategic allocation of resources to Country Bands, and this will serve as the primary pool for funding grants. In addition, based on recommendations from the SIIC, the Board may also choose to allocate up to ten percent of all available funding for programs, activities, and strategic investments not adequately accommodated through the distribution of funding to the Country Bands.
- 3. Distribution of Funding by Disease Burden:** In the absence of a measure of financial need based on disease burden comparable across HIV, TB and Malaria, the Board will approve an allocation developed by the Secretariat and recommended by the SIIC, of the total available funding for each of the three diseases based on historical Global Fund funding levels. This method of allocation will be an interim one, and a transition to a measure that can be used to estimate disease burden and financial demand across all three diseases also approved by the Board, will be implemented within one year of this decision. This division by disease will inform the allocation of funding to bands only, and will be used as global targets for bands; applicants will have flexibility in deciding how to allocate financing between the three diseases for their individual country programs.
- 4. Allocation to Country Bands:** The principles for determining the composition of and funding allocation to each Country Band will be developed by the Secretariat and recommended by the SIIC for approval by the Board at its November 2012 Meeting. These principles are expected, at a minimum, to be based on disease burden and “ability to pay” (e.g. income level).

Allocations to Country Bands will be divided into two portions:

- i. A meaningful portion of funds by band will be provided through indicative funding ranges which will be used to support applicants' prioritized needs through the submission of robust, ambitious requests based on national strategic plans or investment cases. Funding ranges will be developed in accordance with the formula used to calculate the Board-approved Country Band allocations, and qualitative criteria such as the availability of other funding sources, absorptive capacity, past program performance, and ongoing funding needs to continue programs.
 - ii. A portion of funds which will be used to establish a funding stream to incentivize high impact, well-performing programs and the submission of robust, ambitious requests based on national strategic plans or investment cases. The apportionment of funding to this stream will be substantial so as to ensure sufficient funds are available to motivate full expressions of quality demand.
- 5. Guidance/Tools for Strategic Investments:** Countries, partners and the Secretariat should continue to use and develop tools to help applicants identify the highest impact interventions and technologies best suited to their country situation and most effective in reducing morbidity and mortality. The tools should also help applicants to identify strategic investments to strengthen health and community systems.

Access to Funding Process: The access to funding process utilized by each applicant will include the following elements:

- 6. Country Dialogue based on National Strategic Plan or Investment Case:** As envisioned by the Global Fund Strategy, applicants¹ will utilize an inclusive, iterative process when applying for funding (for a disease program, cross-cutting health system strengthening program or community system strengthening program). This iterative process will begin with a Country Dialogue in which the Global Fund takes part and which is based, where possible and appropriate, on a national strategic plan and be guided by applicable investment frameworks or other tools.

During the Country Dialogue, the Secretariat will communicate an indicative funding range to support the prioritized needs for each applicant, and the availability of the incentive funding stream.

Certain applicants, such as those seeking funding for regional or non-CCM programs, may find it necessary to utilize a more project focused application process.

- 7. Concept Note:** Based on the country dialogue, applicants will develop a single Concept Note per disease or consolidated, aligned with country planning cycles, that presents a full expression of demand and gathers essential information for the Secretariat and the Technical Review Panel (“TRP”) to assess the proposed program. This information will (a) provide a comprehensive description of the applicant’s prioritized funding needs and sources to fully support its national strategic plan or project and how it fits into a broader health strategy; (b) identify any funding gaps, including a description of any activities which are not supported by present funding; (c) specify the full amount of funding that the applicant is requesting from the Global Fund including a budget detailing the proposed use

¹ Applicants will typically be Country Coordinating Mechanisms (“CCMs”) but could, for instance, also be regional coordinating mechanisms, regional organizations or other non-CCM applicants.

of such funding; and (d) describe how the Global Fund fits into and participates in inclusive country coordination.

8. TRP Review: After the completion of a Concept Note, the TRP will then review the Concept Note and will make a recommendation regarding the technical soundness and strategic focus of the elements of the proposed program. Each Concept Note will be assessed and its elements prioritized by the TRP according to a set of criteria to be established. The TRP will make a funding recommendation for (i) those program elements to be funded through the indicative funding range and (ii) those program elements in the applicant's submission above that range that are recommended for funding.

9. Determine Applicant Funding Amount:

- i. Within each Country Band, the Secretariat will determine, through a process to be defined, a final funding amount for each applicant based on available funding, the funding requested by the applicant, the TRP's recommendations, and qualitative criteria including, but not limited to, the availability of other funding sources, absorptive capacity, past program performance, willingness to pay, and ongoing funding needs to continue programs.
- ii. On a periodic basis, the Secretariat, based on the TRP assessment, will review and make funding recommendations on a collection of submissions of quality demand to be funded through the incentive funding stream.

10. Unfunded Quality Demand: Within a set period of time, any activities which the TRP determines to be technically sound but which cannot be supported through the resources available to a Country Band will be recommended for funding as additional resources become available.

11. Board Approval: The Secretariat will work with applicants to transform the TRP funding recommendations into disbursement-ready grant agreements. Where there are material changes from the TRP recommendation, the Secretariat will seek further input from the TRP prior to finalizing a grant agreement. When finalized, the Board will approve proposed grant amounts.