U.S. Government Positions on Decision Points for the Nineteenth Board Meeting of the Global Fund

The Administration provides this report pursuant to Section 202(d)(6) of the ‘‘Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act of 2008’’ (enacted as Public Law 110-293), which requires that “following each meeting of the Board of the Global Fund, the Coordinator of United States Government Activities to Combat HIV/AIDS Globally shall report on the public website of the Coordinator a summary of Board decisions and how the United States Government voted and its positions on such decisions.’’

The Global Fund Board held its 19th meeting on May 5-6, 2009 in Geneva, Switzerland. The United States was represented by Assistant U.S. Global AIDS Coordinator and U.S. Board Member Michele Moloney-Kitts, and Acting Director of the Office of Global Health Affairs, Department of Health and Human Services and Alternate Board Member James Kulikowski. In our opening statement, the U.S. delegation affirmed U.S. Government support for the Global Fund and the continued importance of transparency, accountability, and performance. The positions of the U.S. delegation on Board decision points are summarized below.

Relationship between the Global Fund and the United Nations (UN) (GFB19/DP4)

The U.S. delegation supported this decision point, which reiterates Board support for the Global Fund's initiative to seek observer status at the United Nations General Assembly and notes that, if observer status is obtained, the Global Fund will be represented by its Executive Director.

Memorandum of Understanding (MOU) between Global Fund and Organization of Islamic Conference (OIC) (GFB19/DP5)

The U.S. delegation supported this decision point, which authorizes the Executive Director to finalize and sign the MOU.

Extension of Terms of the Technical Evaluation Reference Group (TERG) Members (GFB19/DP6)

The U.S. delegation supported this decision point, which extends the terms of six TERG members until the conclusion of the 20th Board meeting in November 2009. The U.S. expressed strong support for the important and growing role of the TERG.

Global Fund Strategy in Relation to Sexual Orientation and Gender Identities (SOGI) (GFB19/DP7)

The U.S. delegation supported the decision point, which approved the Global Fund Strategy in Relation to Sexual Orientation and Gender, and requested the Secretariat to report to the Global Fund's Policy and Strategy Committee at its next meeting on the Secretariat's progress in implementing this strategy.

In particular, the U.S. delegation supports the Strategy's focus on country-led, evidence-, rights-, and performance-based approaches to meeting the health needs of men who have sex with men, transgender, bisexual, and lesbian populations.

Review of Board Committee Structure (GFB19/DP8)

The U.S. delegation strongly supported this decision point, which creates an ad-hoc Market Dynamics and Commodities Committee (MDC); continues the mandate of the ad-hoc Committee for the Affordable Medicines Facility for Malaria (AMFm) through the AMFm pilot phase; renames and recasts the Portfolio Committee as the Portfolio and Implementation Committee (PIC); and clarifies that regular Committee Rules and Procedures apply to ad-hoc committees. The creation of the Market Dynamics and Commodities Committee is particularly important given that a significant amount of the Global Fund's resources are used for commodity procurement.

Executive Director as Non-Voting Board Member (GFB19/DP9)

The U.S. delegation supported this decision point, which establishes the Executive Director of the Global Fund as an ex-officio non-voting Board member. The purpose and allocation of all non-voting Board seats will be reviewed by the Board at its 21st meeting.

Terms of Reference for Chair and Vice-Chair of the Board (GFB19/DP10)

The U.S. delegation supported this decision point, which establishes terms of reference for the Chair and Vice-Chair of the Board and clarifies their responsibilities.

Allocation of Non-Voting Board Seats (GFB19/DP11)

The U.S. delegation supported this decision point, which creates a non-voting Board seat to represent the constituencies of key partners, specifically the Stop TB Partnership, Roll Back Malaria, and UNITAID. Any additional partners that wish to be represented on the Board through this constituency seat must make a formal request to the Board, which will determine the appropriateness of their inclusion in this constituency. The U.S. delegation particularly welcomed this decision as a means of increasing the voice of tuberculosis and malaria partners in Board discussions.

Nonetheless, the U.S. delegation also shares the view that the growing size of the board may not be fully conducive to effective functioning and thus supported the request for the Global Fund's Policy and Strategy Committee to review the allocation and composition of all non-voting Board seats prior to the 21st meeting of the Global Fund Board.

Attendance at Restricted Sessions of the Board (GF/B19/DP12)

The U.S. delegation supported this decision point, which clarified that the Board should exclude non-voting ex officio Board members from attending a restricted session of the Board unless their participation is deemed necessary by the Board Chair.

Timing for the Determination of Income Level Eligibility (GF/B19/DP13)

The U.S. delegation supported this decision point, which harmonizes the timing of determination of income level eligibility with the annual release of World Bank Country Income Classifications.

One-Year Grace Period (GF/B19/DP14)

The U.S. delegation supported this decision point, which clarifies that the one year grace period for funding eligibility for countries moving up from one income category to the next does not apply to countries moving from the "upper-middle income" category to the "high income" category.

Correction to Definition of High Disease Burden for Global Fund Financing of Tuberculosis in Upper-Middle Income Countries (GF/B19/DP15)

The U.S. delegation supported this decision point, which corrects a technical error in the definition of high disease burden for Global Fund financing of tuberculosis in upper-middle income countries.

Additions to Technical Review Panel (TRP) Leadership and Membership (GF/B19/DP16)

The U.S. delegation supported this decision point, which amended the Terms of Reference of the TRP, added a second Vice-Chair, and increased the maximum number of Permanent TRP members from 35 to 40 persons.

Technical Review Panel (TRP) Partial Replenishment (GF/B19/DP17)

The U.S. delegation supported this decision point, which approved the appointment of individuals to the TRP and its support group.

Quality Assurance Review of the Status of Pharmaceutical Products Other than Anti-Retrovirals, Anti-Malaria, and Anti-Tuberculosis Medicines (GF/B19/DP18)

The U.S. delegation supported this decision point, which requests the Portfolio and Implementation Committee to oversee the Secretariat's study of the quality assurance status of pharmaceutical products other than anti-retroviral, anti-malaria, and anti-TB medicines; requests the Secretariat to present the findings of the first phase of the study to the Portfolio and

Implementation Committee at its 12th meeting (September 2009); and requests the Portfolio and Implementation Committee to update the Board at its first meeting in 2010.

Flexibilities to Set Grant Start Dates (GF/B19/DP19)

The U.S. delegation supported this decision, which affirms the importance of rapid grant signature and disbursement of approved funds. The 2009 Key Performance Indicator (KPI) provides a target of eight months as the average time from Board approval to first grant disbursement. The Fund has not met this KPI and in 2008 the average was11 months for Round 6 and 11.2 months for Round 7. Of issue here is that many countries prefer to defer the start date in order to align grant timelines with national fiscal and programmatic cycles. The decision allows the Secretariat to set grant start dates of up to 18 months after Board approval only when necessary to align with national fiscal and programmatic cycles and support harmonization with existing Global Fund grants and other donor-funded programs. In essence, however, the goal is to maintain the KPI for signing but allow for a longer interval for first disbursement.

In supporting this decision, the U.S. delegation emphasized the importance of rapid grant signature and fund disbursement and urged that the flexibility granted through this decision be used only in exceptional circumstances.

Country Coordinating Mechanism (CCM) Funding Policy (GF/B19/DP20)

The U.S. delegation supported this decision, which adopts in principle a new funding model for CCMs that will allow them to access increased funding to fulfill their core functions. The Board delegated authority to the Portfolio and Implementation Committee to develop and approve the details of the revised funding policy at its 12th meeting in September 2009. The new funding policy will allow for increased funding based upon linking funding to function, accountability through a robust performance framework, strategic objectives and performance targets, country context, CCM best practices, and rigorous oversight mechanisms. The annual budget for CCM funding will be subject to approval by the Board as part of the regular budgetary process under the oversight of the Finance and Audit Committee

(FAC). The decision point also requests the Secretariat to review the CCM Guidelines and, as appropriate, recommend amendments to the Board at its 20th meeting.

The U.S. delegation worked with other delegations to strengthen language in the decision clarifying that CCM funding can be used to support meaningful civil society and private sector participation, as well as program oversight and other CCM functions.

In supporting the decision point, the U.S. urged the Portfolio and Implementation Committee to address issues such as the criteria to be used in reviewing and approving funding proposals, determining allowable expenses, and assessing performance, in the revised funding policy.

Approval of Financial Statements (GF/B19/DP21)

The U.S. delegation supported this decision point, which approved the 2008 financial statements of the Global Fund as audited by Ernst &Young.

Collaboration from U.N. Development Program (UNDP) in Audit and Investigations (GF/B19/DP22)

The U.S. delegation supported this decision point, which requests the Board Chair to secure greater assurance from UNDP regarding audits and investigations of Global Fund grants where UNDP acts as Principal Recipient (PR), including access to the full text of audit and investigation reports. The U.S. delegation stressed the importance of oversight and transparency in Global Fund grant implementation.

Delegated Authority for Signature (GF/B19/DP23)

The U.S. delegation supported this decision point, which authorizes the Chair and the Vice-Chair of the Board and the Executive Director to execute agreements on the Board's behalf and allows the Executive Director to delegate certain authorities to Secretariat staff.

Credit Suisse Bank Account (GF/B19/DP24)

The U.S. delegation supported this decision point, which allows the Global Fund to utilize its Credit Suisse bank account to hold the foundation's capital as required by Swiss law, pay for Secretariat operating expenses in accordance with the Board-approved annual budget, and receive private sector contributions that the Trustee is not able to receive directly. This decision was deemed necessary in light of the recent termination of the Global Fund's Administrative Services Agreement with the World Health Organization.

Grant Policy During Office of Inspector General (OIG) Investigations and Audits (GF/B19/DP25)

The U.S. delegation supported this decision point, which affirms that the Global Fund does not tolerate corruption, fraud, misappropriation, or abuse of any kind and requests the Executive Director to take strong, immediate action in all circumstances where the Global Fund's Inspector General has determined there is credible and substantive evidence of fraud, abuse, misappropriation, or corruption involving Global Fund grants. The decision point sets forth general parameters for the restriction of grant signature or suspension of disbursements under existing grants.

The U.S. delegation strongly supported this decision point in the interest of increasing oversight and accountability of Global Fund grants.

Managing the Tension Between Demand and Supply in a Resource-Constrained Environment (GF/B19/DP26)

The U.S. delegation strongly supported this decision point, which establishes a working group to review the Global Fund's policies guiding resource mobilization and allocation and develop a framework for managing the tension between resource demand and supply. The Board requested the working group to provide recommendations for amendments of existing policies regarding prioritization for funding technically sound proposals in a resource-constrained environment and future resource-allocation policies, and options for an increased and urgent resource-mobilization effort and report to the Board before its 20th meeting in November 2009. The Board

also approved membership of this committee, including participation by Assistant U.S. Global AIDS Coordinator Michele Moloney-Kitts.

Affordable Medicines Facility-malaria (AMFm) Phase 1(GF/B19/DP27)

The U.S. delegation supported this decision point, which affirms the Board would vote on AMFm funding proposals at its 20th meeting; confirms the Technical Evaluation Reference Group's (TERG) role in the independent evaluation of the AMFm pilot; notes pending World Health Organization (WHO) guidance that fixed-dosed co-formulations (FDCs) are strongly preferable to co-blistered artemisin-based combination therapies (ACTs) and may help to delay resistance to artemisinin; urges WHO to expedite finalization of this guidance; and requests the relevant Board committees to consider options for the Global Fund to support countries in expediting the transition to FDCs.

AMFm Governance (GF/B19/DP28)

The U.S. delegation supported this decision point, which states that the leadership and membership of the AMFm Ad Hoc Committee shall be renewed at the same time as the other committees, approves appointment of an acting Chair pending renewal of committee membership, and invites the UNITAID Board to nominate a suitable representative to serve as Committee Vice Chair as a one-time exception to the Committees Rules and Procedures and subject to the approval of the Board Chair and Vice Chair and Committee Chair. This invitation was offered in view of UNITAID's role as a key partner in the AMFm pilot initiative.

Follow-up to the Five Year Evaluation (GF/B19/DP29)

The U.S. delegation supported this decision point, which confirms the continued role of the TERG in the follow-up to the Five Year Evaluation of the Global Fund, requests the Secretariat to articulate a process and timeline for responding to and implementing the recommendations set out in the evaluation, and to report to the Board at its 20th meeting. The decision also requests the Chair of the Board to initiate a process for formulating the

Board's response to the evaluation's recommendation and to further define the role of the TERG.

Partnership Forum (GF/B19/DP30)

The U.S. delegation supported this decision point, which recognizes the outcomes of the 2008 Partnership Forum and initiates planning for the next Partnership Forum.

Preventing Treatment Disruption (GF/B19/DP31)

The U.S. delegation co-sponsored this decision point along with the following delegations: Communities, Developed Country Non-Governmental Organizations, Developing Country Non-Governmental Organizations, Private Foundations, and the Private Sector.

The decision point notes increasing reports of threats to HIV/AIDS, tuberculosis (TB), and malaria treatment continuity and requests the appropriate committee(s) to report to the Board at its 20th meeting with an analysis by the Secretariat, in cooperation with key partners of countries at risk of treatment disruptions in 2009-2010, and provide recommendations on ways to minimize the risk of stock-outs and treatment disruption on an ongoing basis. The decision point also requests the Secretariat to designate a focal point for communicating with relevant partners and affected communities on these issues.

In supporting this decision, the U.S. delegation noted the importance of preventing treatment disruptions for patients on life-saving HIV/AIDS, TB, or malaria treatments and the need to develop improved procedures for forecasting and addressing potential treatment disruptions.

Procedure for Election of Board Chair and Vice Chair (GF/B19/DP32)

The U.S. delegation supported this decision point, which delays the recommendation of a set of candidates for Board Chair and Vice Chair until no later than July 15 and briefly extends the tenure of the current Chair and Vice Chair until the election is completed. The current Chair and Vice Chair

agreed to send out updated procedures about the timing of a special session of the Board to elect new leadership. The decision further requests the Board's Policy and Strategy Committee to review the procedures for nomination and election of the Board Chair and Vice-Chair, taking into account lessons learned, and report to the Board at its 21st meeting.

Annual Report (GF/B19/DP33)

The U.S. delegation supported this decision point, which approved the Global Fund's Annual Report.

Special Session: Enhancing the Global Fund's Response to HIV/AIDS (GF/B19/DP34)

The U.S. delegation strongly supported this decision point, which affirms the Board's role as a responsible steward of the Global Fund's investment on behalf of people living with and at risk of acquiring HIV and the need to ensure high impact of programs while achieving maximum value for resources. The decision further recognizes the critical importance of evidence-based prevention strategies tailored to local epidemiology; notes the Global Fund's responsibility to leverage a reduction in stigma, discrimination, and criminalization of people due to their sexual orientation or gender identity; recognizes that, despite important progress made, there are significant gaps in scaling up coverage of effective HIV prevention, treatment, care, and support; recognizes that prevention of HIV in women and preventing HIV-positive mothers from dying and babies from being infected with HIV is crucial to achieving the goals of universal access and an HIV/AIDS-free generation; and urges Country Coordinating Mechanisms (CCMs) to submit future proposals that are targeted, evidence-based, and consistent with local epidemiology in order to (i) re-intensify efforts to prevent HIV and (ii) improve the health of HIV-infected pregnant women and children through effective prevention of mother-to-child transmission (PMTCT) and pediatric HIV care and treatment programs (including necessary services that address the full cascade of interventions for PMTCT) to ensure improved responses to high pediatric loss-to-follow-up rates and that strengthen a family-centered care approach

Outgoing Deputy Executive Director (GF/B19/DP35)

The U.S. delegation supported this decision point, which thanked outgoing Deputy Executive Director Helen Evans for her outstanding performance and service to the Global Fund.