

U.S. Government Positions on Decision Points from the Twenty-Seventh Board Meeting of the Global Fund



The Administration provides this report pursuant to Section 202(d)(6) of the United States Leadership Against HIV/AIDS, Tuberculosis (TB), and Malaria Act of 2003, as amended by the Tom Lantos and Henry J. Hyde United States Global Leadership Against HIV/AIDS, TB, and Malaria Reauthorization Act of 2008 (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.”

Overview

The U.S. government's contributions to and engagement with the Global Fund are a central element of the U.S. government strategy for success in the fight against HIV/AIDS, tuberculosis (TB), and malaria. The Global Fund is a unique funding model that relies on partnerships among governments; civil society, including community and faith-based organizations; international organizations; bilateral and multilateral donors; the private sector; and affected communities in the fight against the three diseases. Founded in January 2002 as an independent, non-profit foundation under Swiss law, the Global Fund operates as a financing instrument – not as an implementing entity – to attract and disburse resources to prevent and treat the three diseases. The United States, as a founding member of the Global Fund and its first and largest donor, continues to play a leadership role in this international effort.

The U.S. government is the largest bilateral donor to the Global Fund, having contributed nearly \$7.1 billion since 2002. As of August 2012, the Global Fund Board has approved nearly \$25 billion through 1,050 performance-based grants in 150 countries. Since 2003, this funding has provided HIV/AIDS treatment for 3.6 million people, TB treatment for 9.3 million people, and distributed 270 million insecticide-treated bed nets for malaria prevention.

The Global Fund held a Special Board meeting, its 27th, on September 13-14, 2012, in Geneva, Switzerland. The Board adopted in principle the elements of a new funding model, heard updates on the selection of the next Executive Director, and heard updates on the Fund's positive financial forecast.

The U.S. government holds a permanent seat on the Global Fund Board and actively participates on several Board committees and working groups, including the Strategy, Investment and Impact Committee (SIIC) and Finance and Operational Performance Committee (FOPC). At the 27th Board Meeting, the U.S. government was represented by an interagency delegation led by the U.S. government Board Member Ambassador Eric Goosby (U.S. Global AIDS Coordinator, Department of State) and the Alternate Board Member Dr. Nils Daulaire (Director, Office of Global Affairs, Department of Health and Human Services).

All decisions taken at the meeting and Board reports are available online at: <http://www.theglobalfund.org/en/board/meetings/twentyseventh/>. U.S. government positions on these decisions are summarized below.

U.S. Government Positions on Board Decision Points

Appointment of Rapporteur (GF/B27/DP1)

The U.S. government supported this decision point, which designated Dr. Palitha Mahipala from the South East Asia constituency as Rapporteur for the meeting.

Approval of Agenda (GF/B27/DP2)

The U.S. government supported this decision point.

Approval of the Report of the Twenty-Sixth Board Meeting (GF/B27/DP3)

The U.S. government supported this decision point.

Transitional Arrangements for the Affordable Medicines Facility – malaria (GF/B27/DP4)

The U.S. government supported this decision point. The Board noted that Phase 1 of the Affordable Medicines Facility – malaria (AMFm) will end on December 31, 2012 and recognized the importance of an orderly transition for those countries that are part of the Phase 1 pilot. In order to support an orderly transition towards implementing the final Board decision at the upcoming Twenty-Eighth Board meeting, the Board approved funding for the AMFm unit within the Secretariat for another twelve months.

Revision to the Policy on Ethics and Conflict of Interest for Global Fund institutions (GF/B27/DP5)

The U.S. government supported this decision point. The Board approved the revised Policy on Ethics and Conflict of Interest for Global Fund Institutions and the revised Declaration of Interest form, updated to reflect the new Board Committee structure established with the Board's adoption of the Governance reform at its 25th Meeting.

Amendments to the Charters of Audit and Ethics Committee and the Finance and Operational Performance Committee (GF/B27/DP6)

The U.S. government supported this decision point. The Board approved an amendment of the Charters of the Audit and Ethics Committee (AEC) and the FOPC to reallocate the advisory and oversight responsibilities related to the external audit of the Fund's annual financial statements.

Evolving the Funding Model (GF/B27/DP7)

The U.S. government supported this decision point. Over the past year, the Global Fund has undergone broad and deep reforms, backed by the U.S. government, to ensure that funds are used effectively and efficiently. At the 25th Board Meeting (November 2011), the Global Fund Board, with strong U.S. government and implementing constituency support, approved a new five-year Strategy that called for a more flexible, sustainable, and predictable funding model with an iterative proposal development process and a greater focus on high-impact interventions.

Given the encouraging financial forecast presented to the Board at its 26th Board Meeting in May, the Board decided to accelerate the implementation of the Global Fund Strategy by opening new funding opportunities starting in 2013 to allow for Board funding decisions to be made on a rolling basis no later than the end of April 2013. The Board had tasked the Secretariat and the SIIC to develop a new funding mechanism in time for review and possible approval at this Special Board Meeting. The U.S. government is represented on the SIIC by Julia Martin (Chief Operating Officer, Office of the U.S. Global AIDS Coordinator, U.S. Department of State).

With this decision point, the Board adopted in principle the elements of the new funding model, which will allow the Global Fund to invest strategically and ensure an appropriate focus on countries with the highest disease burden and the least ability to pay. The new funding model has been developed in line with the new Strategy, based on the principle that Global Fund programs should reflect national ownership and respect country-led proposal and implementation processes.

The new funding model will group countries into bands, to enable the Board to focus on countries and populations most in need. Funding decisions within bands will be further prioritized based upon presence of other funding sources, absorptive capacity, past program performance, and funding for program continuity. In addition, the Board decided that a portion of funds will be used to provide incentives for ambitious requests based on specific investment cases and

national strategies that may be outside of a country's "core program." This new model is designed to improve grant-making through a more predictable, flexible, and participatory process.

The decisions around the funding model taken at this meeting and to be developed for Board approval at its 28th meeting will continue to embody the following core principles:

1. Consistency with the Strategy (2012-2015);
2. Flexible intakes of concept notes to better align with country calendars;
3. Focus on highest disease burden and least ability to pay;
4. Simplicity in implementation;
5. Predictable process and funding levels; and
6. Full expression of national disease response need.