### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACTs</td>
<td>Artemisinin-based combination therapies</td>
</tr>
<tr>
<td>AEC</td>
<td>Audit and Ethics Committee</td>
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<tr>
<td>AMFm</td>
<td>Affordable Medicines for Malaria Facility</td>
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<tr>
<td>ARV</td>
<td>Antiretroviral drug</td>
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<tr>
<td>CCM</td>
<td>Country Coordinating Mechanism</td>
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<tr>
<td>CHAI</td>
<td>Clinton Health Access Initiative</td>
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<td>COI</td>
<td>Conflict of Interest</td>
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<tr>
<td>CRO</td>
<td>Chief Risk Officer</td>
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<td>CRWG</td>
<td>Comprehensive Reform Working Group</td>
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<td>CTA</td>
<td>Country Team Approach</td>
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<td>CTP</td>
<td>Consolidated Transformation Plan</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>DOTS</td>
<td>Directly Observed Treatment, short course</td>
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<tr>
<td>EMT</td>
<td>Executive Management Team</td>
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<tr>
<td>FIND</td>
<td>Foundation for Innovative New Diagnostics</td>
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<tr>
<td>FOP</td>
<td>Finance and Operational Performance</td>
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<tr>
<td>G-20</td>
<td>Group of 20 (Developing Nations)</td>
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<td>GAVI</td>
<td>Global Alliance for Vaccines and Immunization</td>
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<td>HLP</td>
<td>High Level Review Panel</td>
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<td>HSFP</td>
<td>Health System Funding Platform</td>
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<tr>
<td>HSS</td>
<td>Health System Strengthening</td>
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<tr>
<td>IEC</td>
<td>Information, education and communication</td>
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<td>IRS</td>
<td>Indoor Residual Spraying</td>
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<tr>
<td>LFA</td>
<td>Local Fund Agent</td>
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<tr>
<td>LLIN</td>
<td>Long Lasting Insecticidal Net</td>
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<tr>
<td>MARP</td>
<td>Most At-Risk Populations</td>
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<td>MCH</td>
<td>Maternal and Child Health</td>
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<td>MDAG</td>
<td>Market Dynamics Advisory Group</td>
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<td>MDC</td>
<td>Market Dynamics and Commodities Committee</td>
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<td>MDR-TB</td>
<td>Multi Drug Resistant Tuberculosis</td>
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<td>NBCs</td>
<td>National Business Coalitions</td>
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<td>NSA</td>
<td>National Strategy Application</td>
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<td>OIG</td>
<td>Office of the Inspector General</td>
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<td>PIC</td>
<td>Policy and Implementation Committee</td>
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<td>PMTCT</td>
<td>Prevention of Mother-to-Child Transmission</td>
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<td>PRs</td>
<td>Principal Recipients</td>
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<td>PSC</td>
<td>Policy and Strategy Committee</td>
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<td>PSD</td>
<td>Private Sector Delegation</td>
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<td>RBM</td>
<td>Roll-back Malaria</td>
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<td>RDT</td>
<td>Rapid Diagnostic Test</td>
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<td>SIIC</td>
<td>Strategy, Investment and Impact Committee</td>
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<td>SOGI</td>
<td>Sexual Orientation and Gender Identities</td>
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<td>SRs</td>
<td>Sub-Recipients</td>
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<tr>
<td>TERG</td>
<td>Technical Evaluation and Reference Group</td>
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<td>TFM</td>
<td>Transitional Funding Mechanism</td>
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<td>TRP</td>
<td>Technical Review Panel</td>
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<tr>
<td>UAM</td>
<td>United Against Malaria</td>
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<tr>
<td>UNAIDS</td>
<td>United Nations Joint Program on HIV/AIDS</td>
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<tr>
<td>UNGASS</td>
<td>United Nations General Assembly 26th Special Session (UNGASS) on HIV</td>
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<td>VFM</td>
<td>Value for Money</td>
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<td>VPP</td>
<td>Voluntary Pooled Procurement</td>
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<td>WHO</td>
<td>World Health Organization</td>
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In the last decade, the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (the Global Fund) has played a central role in reducing the number of new HIV infections and in declining death rates from TB and malaria. In 2011, the Global Fund supported over 3.2 million people on antiretroviral treatment and provided over 30 million long lasting insecticide treated nets. The number of TB patients with access to DOTS increased by nearly 20% to 8.2 million. By the end of Quarter 3, the Global Fund had disbursed over $14.7 billion to support 900 grants in 150 countries, of which some 500 were active.

In spite of the key achievements, the Board and management of the Secretariat acknowledged the critical need for reorganization of its management and governance system to strengthen the Global Fund’s ability to finance and manage small and large-scale health programs in complex environments. As a result, 2011 was defined as a year of transformation - precipitated by a decline in funding and concerns about accountability. Effort was focused on a series of internal reviews, country audits and the development of a strategic mission and new governance structure.

THE 2011 PSD ANNUAL REPORT HIGHLIGHTS THE FOLLOWING TOPICS:

- **SECTION 1:** Global Fund Organizational and Governance Reform Updates.................................................................................................................. 2
- **SECTION 2:** Private Sector Delegation Policy Updates and Key Achievements ........................................................................................................... 8
- **SECTION 3:** Private Sector Delegation Management and Governance.........14
- **SECTION 4:** Global Fund Public-Private Partnerships in 2011........................................16
- **SECTION 5:** 2012 Private Sector Delegation Priority Areas of Focus..............18
- **ANNEX 1:** Global Fund Strategy 2012-2016 Framework .............................20
- **ANNEX 2:** Consolidated Transformation Plan Matrix ............................21
- **ANNEX 3:** Private Sector Conflict of Interest Assessment Form ...........28
Throughout 2011, the Global Fund underwent several external and internal assessments of its fiduciary mechanism, organization effectiveness and impact. Major external reviews were conducted by a High Level Independent Panel on Fiduciary Controls and Oversight Mechanisms (HLP) and the European Commission. An internal review was conducted simultaneously by the Comprehensive Reform Working Group (CRWG), made up of Board leadership and Secretariat staff. In addition, a new 2012-2016 Strategy was led and developed by the Board’s Policy and Strategy Committee (PSC) through a series of stakeholder consultations at national, regional and the global levels.
The recommendations and strategies developed from the year-long series of internal and external reviews were incorporated into a **Consolidated Transformation Plan (CTP)**. The CTP approved by the Board in November 2011, outlines and prioritizes the most pertinent reform areas, deliverables and timelines for the Secretariat to focus on over an 18-month period. Major thematic issues outlined in the Plan, which will be overseen by the Board Coordinating Group\(^1\), include six “transformation areas”, 31 projects and 162 deliverables. The six major transformation areas are as follows:

1) **Resource Allocation, Investment, Results Measurement and Evaluation:** Grant applications will be revised to enhance resources investment strategies; ensure funding is allotted and dispersed with greater predictability; and elevate monitoring and evaluation systems to strengthen programmatic impact and investment value.

2) **Risk Management:** Risk management mechanisms will be implemented at corporate and operational levels to promote greater accountability.

3) **Grant Management:** Greater standardization, quality-control mechanisms, and an outcomes-focused approach will be applied across the grant management process. The capacity of local country stakeholders will also be built up through an expansion of the Country Team Approach.

4) **Secretariat, Management and Culture:** Roles and responsibilities of the Executive Management Team will be refocused to increase the effectiveness of the Secretariat; the role of Fund Portfolio Managers will be more clearly defined around grant functions. Human Resource capacities will also be strengthened in order to address current procedural gaps.

5) **Board Governance:** The Board’s Committee structure and operating procedures will be reformed to avoid overlap, maximize efficiencies and ensure effective decision making processes. (Further details on Committee roles can be found on pages 4-5).

6) **Resource Mobilization:** The Fund’s Replenishment meetings, which raise funding for 2-3 year periods, will be analyzed and other donor pledging models will also be considered.

Please see Annex 2 (page 21) for a full outline of the CTP focus areas and deliverables. Several key priorities outlined in the Transformation plan, including risk mitigation, consolidated Board Committees, and re-focused Secretariat roles, were drawn from the recommendations put forth by the **High Level Independent Panel on Fiduciary Controls and Oversight Mechanisms (HLP)**\(^2\). The HLP was an external review of the Global Fund’s risk-management, financial and fiduciary controls and oversight mechanisms, in light of several audit findings citing misuse of funds. It was expected that the Panel’s findings would help address critical gaps in fiduciary control and restore confidence among the donor community and public.

The Panel reviewed a representative sample of grants from Forty countries and conducted in-depth field visits to thirteen countries. As part of its mandate, the Panel assessed the Office of the Inspector General (OIG), including its governance, processes and policies. The Panel submitted and presented its findings and recommendations to the Board in September, 2011.

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\(^1\) The Group serves as a mechanism for the Board leadership to oversee Committees.

\(^2\) High Level Independent Panel on Fiduciary Controls and Oversight Mechanisms (HLP) was formed in March 2011.
FIGURE 1: New Governance Structure

**BOARD**

**Coordinating Group**
Includes Chair and Vice Chair of each sub-committee

PSD Member:
Dr. Brian Brink, Member

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**Audit and Ethics Committee**

**7 MEMBERS:**
Independent members: 4 (including Chair)
Voting Board members: 3 (including Vice Chair)

PSD Member:
Dr. Brian Brink, Vice Chair

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**Finance and Operational Performance**

**10 VOTING MEMBERS:**
Implementing bloc: 5; Donor bloc: 5; Non-voting, neutral Chair and Vice-Chair; Two non-voting, ex-officio members: includes one from World Bank.

PSD Member:
Dr. Ann Lion, Member

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**Strategy, Investment and Impact Committee**

**10 VOTING MEMBERS:**
Implementing bloc: 5; Donor bloc: 5; Non-voting, neutral Chair and Vice-Chair; Two non-voting, ex-officio members; Chairs of the Technical Review Panel and Technical Evaluation and Reference Group

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**Market Dynamics Advisory Group (MDAG) and Affordable Medicines Facility-malaria (AMFM)**

PSD Member:
Mr. Ian Boulton

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Key action steps proposed by the HLP and ultimately accepted by the Board include:

- Develop a new comprehensive Risk Management Framework.
- Consolidate Board Committees to ensure greater time allocation by the Board on policy and strategy.
- Strengthen the roles of the Executive Management Team (EMT) and Fund Portfolio Manager (FPM).
- Establish a pooled procurement system.
- Institute a two-stage grant proposal process.

Please refer to Annex 2 (page 21) for an overview of the final recommendations.

An internal review process was also established to assess the Global Fund’s business model and define a reform agenda that would ensure maximum impact of investments and public health interventions. The process was led by a Comprehensive Reform Working Group (CRWG). The Working Group’s recommendations focused on strengthening value for money, governance, and the organization’s business model; these points were fed into the broader consolidated transformation plan.

At the same time, the Board’s role, structure and processes were redefined through a series of governance reform efforts. The intention was to develop a robust decision-making framework, streamline communications, ensure transparency and establish clear performance metrics.

The Board Chair and Vice-Chair recommended an initial phase of Governance Reforms, which included repurposing existing Committee structures into three main Committees focused on audit and ethics; finance, operations and risk management; and strategic investments.

**i. Audit and Ethics Committee (AEC):**

Oversee all audit functions of the Global Fund, including appointing and overseeing the work of an external auditor. It will also assess the performance of the OIG, as well as approve and disseminate the OIG’s annual audit report. The AEC will establish ethical standards and ensure adherence to these standards, taking remedial actions where necessary. Other responsibilities include overseeing the implementation of the conflict of interest and whistleblowing policies. The AEC will be comprised of 4 independent and 3 voting Board members; the Chair will come from the independent group, while the Vice-Chair will be selected from the Board members.

**ii. Finance and Operational Performance (FOP):**

Oversee the Secretariat’s budget, fiduciary controls, risk management (specific areas) and operational performance. In addition, the Committee will be responsible for other operational issues, such as Country Coordinating Mechanisms (CCMs), Local Fund Agent (LFA) oversight, continuity of services, stock outs, procurement, supply chain management, and pharmacovigilance. The FOP will include 10 voting members (5 each from the implementing and donor bloc constituencies); a non-voting, neutral Chair and Vice-Chair; and two non-voting, ex-officio members (one of whom must be from the World Bank).

**iii. Strategy, Investment and Impact Committee (SIIC):**

Provide guidance on the strategic direction of the Global Fund. The SIIC will also...
create and evaluate Advisory bodies such as the Market Dynamics Advisory Group (MDAG). The SIIC will be comprised of 10 voting members (5 each from the implementing and donor bloc constituencies); a non-voting, neutral Chair and Vice-Chair; 2 non-voting, ex-officio members; and the Chairs of the Technical Review Panel (TRP) and Technical Evaluation and Reference Group (TERG) respectively.

iv. Board Coordinating Group: Serve as a mechanism for the Board leadership to collaborate with its Committees. The Coordinating Group is responsible for setting Board meeting agendas and Committee terms of reference. The Coordinating Group will also assess the performance of the Executive Director and the Inspector General. The Coordinating Group is comprised of the Board Chair and Board Vice-Chair, and the Chair and Vice-Chair of each of the Board Committees. Other members whose expertise is directly related to any deliberations may be invited to attend specific meetings by the Group.

At the end of 2011, it was clear that the Global Fund Secretariat and the Board had identified solutions to address major challenges and were committed to transforming the organization and its strategic mission over the next five years.

THE GLOBAL FUND 2012-2016 STRATEGY: A NEW DIRECTION FOR THE FUND

The Global Fund 2012-2016 Strategy is a high level framework, encompassing the Fund’s core mandate/mission, desired health impacts, key objectives and pertinent initiatives over five years.

The Strategy approved at the 25th Board meeting (November 2011), marks a significant and positive shift in the Global Fund’s business model. Through the following five strategic objectives it will help ensure more strategic and sustainable use of funds:

1. Invest more strategically in areas with high potential for impact and strong value for the money, and fund based on countries’ national strategies.
2. Evolve the funding model to provide funding in a more proactive, flexible, predictable and effective way.
3. Actively support grant implementation success through more active grant management and better engagement with partners.
4. Promote and protect human rights in the context of the three diseases.
5. Sustain gains and mobilize resources by increasing the sustainability of supported programs and attracting additional funding from current and new sources.

Over the next five years, the Global Fund aims to save 10 million lives and prevent 140-180 million new infections from HIV/AIDS, tuberculosis and malaria. These goals are complemented by disease-specific and global targets set by UNAIDS, the World Health Organization (WHO), and the Stop TB and Roll Back Malaria (RBM) partnerships.

The Private Sector played a key role in developing the strategic objectives and guiding principles, specifically ensuring that goals, targets and strategic enablers were clearly defined with robust performance and accountability metrics.

At Board level, the Private Sector expressed overall support for the Global Fund’s 2012-2016 Strategy and welcomed the new direction that the organization is taking; in particular the critical change from Rounds based funding to an iterative process that will encourage the development and refinement of National Strategic Plans.

Please see Annex 1 (page 20) for the 2012-2016 Strategy framework.

3 Source: http://www.theglobalfund.org/en/about/strategy/
NEW BOARD LEADERSHIP

In May 2011, Honorable Dr. Mphu Ramatlapeng, Lesotho Minister of Health and Social Welfare, was elected to serve a two-year term as new Vice Chair of the Board. Mr. Simon Bland, Head of the Global Fund Unit in the UK’s Department for International Development, was appointed Chair of the Board in September 2011. Mr. Bland was appointed to this position following former Chair, Mr. Martin Dinham’s step down due to a health condition.

During their tenure, Dr. Ramatlapeng and Mr. Bland will partner in leading the Global Fund’s 20 voting Board members (10 from the implementing and donor blocs) and 6 non-voting members (including partner organizations, WHO, Stop TB, UNAIDS, etc.) through the implementation of the transformation plan, governance reform and strategy. They bring a wealth of expertise, experience and passion to their respective leadership roles on the Global Fund Board.

MR. SIMON BLAND, 
Board Chair 
Elected September 2011

Simon Bland is Head of the Global Funds Department in the United Kingdom’s Department for International Development, where he also serves as DFID’s Representative to the United Nations and International Organizations in Geneva. With a career that spans more than thirty years working in mostly developing countries in the Africa, Asia and Pacific regions, Simon has also held the position of Head of DFID Programs in Russia and Ukraine and in Kenya and Somalia.

Mr. Bland holds a Masters Degree in Economics, and has degrees and post-graduate studies in marine sciences and management. Prior to his September 2011 appointment as Board Chair, he had been a Member of the Global Fund’s governing Board since 2008. Concurrent with his Board leadership position for the Global Fund, Mr. Bland is a continuing member of the governing Boards of UNITAID, the United Nations Joint Program on HIV/AIDS (UNAIDS) and the Global Partnership for Education.

HONORABLE DR. MPHU RAMATLAPENG, 
Board Vice Chair 
Elected May 2011

Born in Lesotho, Minister Ramatlapeng studied medicine at Kharkov Medical School in Ukraine, and later obtained a Masters in Public Health from Johns Hopkins University. After completing her education, she returned to Lesotho and worked in a number of roles across the public and private sectors, bringing her pharmaceutical supply and management experience to roles such as the Country Director of the Clinton Foundation HIV/AIDS Initiative in Lesotho. She then moved into her successive roles with CHAI and in 2007 to the Ministry of Health and Social Welfare, where she is responsible for the overall clinical, technical and financial management for the Ministry.

Dr. Ramatlapeng has held a number of Board Member positions over her career, including membership on the Roll Back Malaria Partnership Board and the StopTB Partnership Board. In addition to being appointed to the role of Vice Chair of the Global Fund Board in May 2011, Minister Ramatlapeng currently serves as a Board Member of the Foundation for Innovative New Diagnostics (FIND). Across her career, she has also been a leading advocate for women in business, including serving as founding Board Member of Women in Business in Lesotho.
The Private Sector through its representatives helped steer Global Fund priorities and policies, while also ensuring Global Fund initiatives actively engage the business sector. Involvement at country level, through board committees on policy, strategy & implementation, market dynamics and malaria have resulted in effective CCMs (in select countries), robust Global Fund and market shaping strategies and rigorous monitoring of grant implementation - including a pilot malaria initiative.
BOARD COMMITTEE UPDATES AND PSD POSITIONS

The Policy and Implementation Committee (PIC):

PIC held two meetings focusing on the following issues:

- Improving Effectiveness of Local Fund Agent (LFA).
- Review of Continuity of Services Policy.
- Implications of Delayed Round 11.
- Pharmacovigilance.
- Round 11 Proposal Forms and Related Workstreams.
- Value for Money Approach for Round 10 Grant Signing.
- Gender Equality and Sexual Orientation and Gender Identities (SOGI) Strategies.

The most significant issue addressed by the PIC in 2011 was the revision of Country Coordinating Mechanism (CCM) Guidelines. PIC began discussion for Revised CCM Guidelines to the Board in 2010, and inputs and revisions continued into March 2011. Issues of concern and discussion included the three-tiered approach (requirements, standards and recommendations), and also focused heavily on the role of the Government. It was decided that the revised Guidelines were to be approved prior to Round 11 launch.

In addition to the CCM Guidelines, the terms of reference of the TRP were also revised to reflect the updated policy on Eligibility, Prioritization and Counterpart Financing. The TRP was further given the responsibility of ranking proposals recommended for funding in the targeted pool. Additional revisions included the incorporation of value for money principles, clarifying language for applicants and eliminating duplications in the review criteria for proposals.

Dr. Ann Lion of Abt Associates represented the Private Sector on the PIC and proactively commented on the various topics, in the meetings and by responding to request for feedback of the various documents shared by the secretariat with the PIC. Of note was her feedback on the Common (GAVI and the Global Fund) Health System Strengthening (HSS) Proposal Form and Guidelines, which the proposal team appreciated.

Market Dynamics and Commodities Committee (MDC):

The main focus of the MDC in 2011 was to develop the major Market Shaping Strategy that would underpin the Fund’s future approach to obtaining “Value for Money” (VFM) in commodity purchases without being a disincentive to innovation and the development of new products. The Committee met three times during the year, including a technical meeting in Copenhagen where external experts were invited to advise on key topics. This exercise showed very clearly the centrality of Pooled Procurement as a key mechanism to get better VFM and the shortcomings of the current Voluntary Pooled Procurement (VPP) systems. The Committee has made recommendations on the need to overcome these challenges to VPP, especially on the ability to make advanced purchases, to overcome the challenges of grant disbursements to timely and long-term forecasting and ordering, and the need for the supply chain to have flexibility to allow for sudden surges in demand without greatly increasing costs.

The priority of the Committee for the first two years of its existence had been on detailed organizational issues (like the Quality Assurance Policy) and focused mostly on malaria. In 2011 the focus moved more to consideration of HIV and anti-retrovirals, especially the need for paediatric Antiretroviral drugs (ARVs) and to find a replacement process for the UNITAID coordinated purchasing of paediatric ARVs. At the end of 2011 it agreed that TB now needed to be a focus for future market dynamics discussions.

The Private Sector played a central role in all these discussions – highlighting the need to be clear about the
message a strategy will send to the market, being realistic about the length of time it can take for major innovations to develop, and offering insight about other factors beyond price that help determine VFM (e.g., the durability of bednets, the shelf-life of new formulations or combination products). It has developed good relations with all the constituencies on the MDC and the Private Sector is seen as a constructive part of the Committee.

The Market Shaping Strategy (MSS) was adopted by the Fund Board in May 2011. However, implementation of its recommendations has been slowed by the administrative and organizational changes in the Fund Secretariat (including a hiring freeze in 2011), and by the higher priority placed by the Fund on the adoption and implementation of the HLP recommendations and to meet the funding challenges that has led to the cancellation of Round 11.

The MDC was dissolved as part of the organizational changes agreed at the Board Meeting in Accra in November 2011, and will be replaced by a Market Dynamics Advisory Group (MDAG). It is anticipated that the Private Sector will continue to be represented and expected to play a central role in this new group. They will be central to driving forward the implementation of the Market Shaping Strategy.

Affordable Medicines for Malaria Facility (AMFM):

The AMFM ad-hoc Committee meeting took place in March and October with a primary focus on:

- Implementation activities: key achievements and challenges.
- Monitoring Independent Evaluation of AMFM.
- Scenario Planning for AMFM.

The Affordable Medicines Facility - Malaria is an innovative financing initiative managed by the Global Fund and financed by DFID, Gates Foundation and UNITAID. The pilot program was designed to increase access to artemisinin-based combination therapies (ACTs) in Cambodia, Ghana, Kenya, Madagascar, Niger, Nigeria, Tanzania (including Zanzibar) and Uganda.

Since the implementation of Phase I in August 2010, over 140 million ACTs have been ordered for distribution through public and private sector channels at point of purchase prices ranging between $0.41-$1.92 per pack. Price tracking surveys conducted in Q3 and Q4 2011 indicate over 70% increase in the availability of ACTs in the formal sector and between 27-83% in the informal sectors within the various countries. Private sector channels accounted for approximately 70% of co-paid Artemisinin-based combination therapies (ACTs). Public sector procurement of co-paid ACTs was slow due to operational and bureaucratic factors within countries. In a number of countries, co-paid ACTs through AMFM were purchased through the private sector to avoid stock outs.

Baseline data collection in all countries (except Cambodia) was completed between June-December 2010. Key indicators included availability and affordability of anti-malarials, stock-outs of quality assured ACTs and the market share in public and private health facilities. End line surveys (except Cambodia) were completed between October and December 2011. A final report will be presented to Board members for review and deliberation by the November 2012 Board meeting.

In spite of the increase in availability of ACTs in several AMFM pilot countries, programmatic activities including implementation of information, education and communication (IEC) activities have been slow due to the lengthy disbursement process within the Global Fund’s grant system. Gradual implementation of IEC activities affected awareness building activities that would have increased demand for the drug therapy. At the Board and Committee level, the Private Sector commended the Secretariat for managing and implementing the pilot initiative. It also provided several important comments pertaining to
supply chain monitoring beyond the first point of entry, as well as ensuring the public sector’s procurement systems were not weakened by the initiative. Recommendations were also made to the Secretariat to recognize the Private Sector’s financial and in-kind contributions.

In regards to scenario planning for AMFm, post Phase I, a series of in-country consultations were held throughout the year highlighting countries’ interest in continuing the initiative beyond the pilot Phase. The adhoc Committee has requested the Secretariat to provide additional details on country-specific plans and engagement as well as consultations with the Private Sector; in particular suppliers and first line buyers.

At the end of 2011, the greatest concern was related to the availability of funding for copayment of ACTs through the end of the pilot Phase in 2012. The Global Fund sighted the need for additional funding of $123 million dollars, an issue that was brought to the attention of Committee members in October. The Global Fund initiated a series of resource mobilization consultations with UNITAID and DFID. To date, UNITAID has committed an additional USD $50 million. It is expected that DFID will confirm its support level by the end February 2012.

In addition, the Private Sector expressed its reservations at Committee and Board level, for including AMFm as part of the MDAG within the new governance system. The Constituency is aware of the complexity of the initiative and will work within the new structure to ensure that the initiative’s implementation and evaluation results are carefully reviewed.

Anna Thompson-Quaye, Focal Point, represented the Private Sector within the ad-hoc committee.

GLOBAL FUND COMMITTEE LEADERSHIP AND MEMBERSHIP APPOINTMENTS

• Dr. Brian Brink’s nomination by the Private Sector Constituency and Board Leadership as Vice Chair of the Audit and Ethics Committee was accepted.

• In this capacity as Vice Chair, Dr. Brink will also serve as a member of the Board Coordinating Group – supporting the Global Fund’s performance framework, risk management and performance reviews of the OIG and Executive Director.

• Dr. Ann Lion was nominated by the Private Sector and accepted by the Board as a member of the Finance, Operations and Performance Committee (FOP).

• Mr. Ian Boulton will continue to represent the Private Sector on the Market Dynamics Advisory Group (MDAG), reporting to the SiIC – further details regarding the MDAG’s role will be provided following the first SiIC meeting in February 2012. Since the AMFm will become a part of the MDAG, Mr. Boulton will also serve as the Private Sector representative on AMFm matters.
23RD. BOARD MEETING
(May 11-12, 2011 Geneva, Switzerland)

The Private Sector was instrumental in making valuable recommendations on issues such as:

- Refinement of the MDC Strategy.
- Modification of the Value for Money component of the decisions put forth by the CRWG.
- Monitoring the supply chain of ACTs beyond the first point of entry in AMFM pilot countries and safeguarding public sector procurement systems.
- Recognition of the Private Sector’s financial and in-kind contributions to the AMFM launch and marketing activities.
- Strengthening the relationship between the OIG and Executive Director.

24TH. BOARD MEETING
(September 26, 2011 Geneva, Switzerland)

The board gathered for a special 24th meeting to review recommendations of the HLP and clarify any questions or concerns with Panel members. There was general acceptance of the findings and recommendations by several board members. The Private Sector put forth the following key points:

- Reiterated the need to consolidate recommendations with various ongoing reform initiatives and recommendations.
- Requested clarification and changes to recommendations on tiered pricing for drugs and bednets to ensure alignment with the approved MDC strategy.
- Articulated a critical need to develop an open and transparent process with implementing countries regarding the availability of funds for Round 11 in order to manage expectations accordingly.

25TH. BOARD MEETING
(November 21-22 2011 Accra, Ghana)

The board meeting served as a landmark for critical decisions and as a foundation for implementing transformation within the Global Fund. The Private Sector held a strong unified position and utilized its core expertise to support the need to address resource and operational challenges. The following decisions were taken:

- Round 11 cancelled due to a funding deficit.
- "Eligibility, Prioritization and Counterpart Financing Policy" will be applied to Phase 2 grant renewals effective 1 January 2012.
- Transitional Funding Mechanism (TFM) approved for grant renewal changes to ensure that essential programs, particularly those supplying life-saving treatment, are maintained.
- The Group of 20 (G-20) upper-middle income countries with low disease burden will not be eligible for funding. Countries affected include: Argentina, Brazil, China, Mexico, Russia, etc. South Africa is exempt because of its high disease burden.
- The Health Systems Funding Platform (HSFP) will be suspended until the new funding model is operational.
- Global Fund 2012-2016 Strategy widely endorsed by Board constituencies.
- A Governance Reform and Consolidated Transformation Plan approved.
- The Private Sector expressed its support for the above mentioned key decisions and advocated for strengthened leadership within the Global Fund and the need to swiftly implement the reform agenda and new strategy.

GLOBAL FUND PARTNERSHIP FORUM
(June 28-30, 2011 Sao Paulo, Brazil)

The Global Fund’s Partnership Forum was held in Sao Paulo, Brazil June 28-30th. As part of the forum process discussions took place between the Global Fund and important stakeholders. The feedback gathered in the preliminarily
discussions and at the event were valuable in helping to shape the Global Fund’s 2012-2016 Strategy. In addition, the Forum provided people living with HIV/AIDS, tuberculosis and malaria an opportunity to shape and influence discussions on prevention and treatment for the three diseases.

Key Themes:

• Strategic direction of the Global Fund, including its policies, implementation and governance framework.
• Country led partnerships and effectiveness of CCMs.
• Human rights as a key component of the Global Fund’s strategy and operations.

Feedback and Outcomes:

• Strengthen the Global Fund’s investment framework to stimulate innovation and create incentives to build capacity and systems in order to ensure sustainability.
• Create markets and ensure access to essential health commodities (e.g. 2nd line ARV drugs, pediatric formulations, diagnostic technologies, etc.).
• Ensure active engagement of parliamentarians through CCMs and other country led partnerships.
• Reinforce accountability within country led partnerships and empower communities of people living with HIV/AIDS, tuberculosis and malaria to provide increased oversight of programs.
• Integrate human rights into the Global Fund’s core policies and principles.

Private Sector Involvement:

The private sector was represented by 7 multinational corporations, 6 business coalitions, 2 trade unions, and 2 other private sector organizations. Members of the group actively participated throughout the Forum’s working group discussions and plenary sessions with the following input:

• Advocated for the need to sensitize men and include them in gender equality and gender based violence programs.
• Recommended the creation of a global health marketplace to ensure access to essential health commodities.
• Proposed strengthened health outcome evaluation efforts through a multilateral agency partnership.
• AngloGold Ashanti – the first private sector principal recipient of the Global Fund – also shared the business case and its experiences partnering with the Government of Ghana to develop and implement a $35 million malaria control program.
• The Private Sector also facilitated a series of internal high-level meetings to address governance reform priorities.

PSD ANNUAL RETREAT
(October 31, 2011 Becton, Dickinson and Company Office, Franklin Lakes, New Jersey)

The first PSD Retreat was hosted by Becton, Dickinson and Company on October 31. The meeting was attended by Advisory Group members and focused on the findings of the High Level Panel, on-going reforms within the Global Fund, Committee updates and the Global Fund’s broader partnership with the Private Sector. Key outcomes and conclusions included:

• Agreement on Private Sector’s positions related to the HLP report, governance reform and consolidated transformation plan.
• Identified key concerns and challenges within the PIC, AMFm and MDC and reached consensus on priority issues and immediate action items.
• Agreement on the Private Sector’s leadership and membership positions within the Audit & Ethics Committee, Finance & Operational Performance (FOP) and Market Dynamics Advisory Group (MDAG).4 (Refer to page 11 for details on the representatives).
• Recognition of major strides taken by the Global Fund on developing Private Sector partnerships.
• The importance of coordinating and strengthening the Global Fund’s Private Sector partnership strategy.

4 The MDAG and AMFm will serve as advisory groups within the Strategy, Investment and Impact Committee (SIIC).
Private Sector Delegation Management and Governance

GBCHEALTH’S ROLE AS FOCAL POINT OF THE PRIVATE SECTOR DELEGATION

GBCHHealth serves as an entry-point for the Private Sector’s collaboration with the Global Fund - supporting good governance, orchestrating the Private Sector Delegation on the Global Fund Board of Directors in addition to enabling partnerships and facilitating engagement with the Fund’s recipients worldwide. GBCHHealth works with dozens of committed businesses willing to contribute to the Global Fund’s agenda, advise the board’s deliberations, ensure that the body remains performance-driven and advocate for the business role in global health.
As Policy Director and PSD Focal Point at GBCHealth, Anna Thompson-Quaye leads and ensures the effective engagement and representation of the private sector within the Global Fund Secretariat, at Board Meetings and on Global Fund Committees.

Aisha Taylor, Membership & Advisory Services Officer, supports GBCHealth’s role as Focal Point through managing PSD and Global Fund related communications, global convenings, partnership activities and operations.

During 2011, Ms. Renuka Gadde of BD was elected to serve as the Alternate Board Member for the PSD. Dr. Brian Brink from Anglo American was elected to serve his second term as Board Member.

Dr Brian Brink, Chief Medical Officer at Anglo American plc, advises group companies on a broad range of health issues, particularly HIV/AIDS, TB and health systems strengthening in communities associated with the company’s operations. Dr Brink strives to enhance the role of the private sector in broadening access to sustainable, quality healthcare – particularly in developing countries. He is an independent director of Discovery Holdings, the largest health insurer in South Africa, with interests in the US, UK and China. He also sits on the boards of various NGOs involved in health and human rights; he is chair of the International Women’s Health Coalition based in New York.

Ms. Renuka Gadde, Vice President of Global Health at BD, works with international agencies, thought leaders and governments to strengthen medical and clinical practices around the world. She has also developed several key public private partnerships that advance policy programs for global health and build capabilities within emerging/developing countries.

**Governance**

In 2010 and 2011, the Focal Point led a consultative process of updating and revising the PSD Governance Guidelines, including an Annual Statement, and Conflict of Interest (COI) form. The following revisions were made:

- Modified Conflict of Interest policy
- Revised Global Fund Board Meeting participation guidelines
- Enhanced Terms of Reference for the Focal Point
- Updated Board and Alternate role rotation principles

In 2012 the Focal Point will refine the process for private sector Board/Alternate and Focal Point nominations, and Board Delegate participation.

The Guidelines were successfully executed in 2011 with an 89% compliance rate; the further revised versions will be implemented in 2012 with a targeted compliance rate of 100%.

**Membership**

A new PSD Membership Structure was instituted in 2011. The new structure reduces Premier Advisory Group fees by 50%. Affiliate membership was introduced at a nominal fee allowing for smaller, less active companies to participate. Membership fees support the Focal Point and PSD operations. Constituency membership is open at no cost to companies and private sector organizations interested in contributing to the Global Fund’s mission.

Constituency members are informed of Global Fund news, Board decisions and are invited to participate in Bi-Annual meetings.

Affiliate members also benefit from nominating a Private Sector Advisory Group member to a leadership position. In addition, Affiliate members’ relevant activities may be featured in PSD communications.

The Advisory Group provides enhanced input on key funding decisions, policies, and programs most relevant to the private sector. Members engage in high-level Global Fund/PSD meetings and events with government and civil society representatives; receive individual advisory services on their Global Fund engagement; and are eligible to elect the Board, Alternate and Focal Point positions.

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1. Abbott
2. Abt Associates
3. Access Bank
4. Anglo American plc
5. Bayer
6. BD (Becton, Dickinson and Company)
7. Chevron
8. Heineken
9. Marathon Oil
10. Merck
11. Mylan
12. Novartis
13. Pfizer Inc
14. Product (RED)
15. SAB Miller
16. Sanofi
17. Sumitomo
18. Vestergaard Frandsen


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Each Advisory Group member is required to sign the COI form to ensure the group is acting in the interest of the Global Fund and broader private sector constituency. Please see Annex 3 (page 28)
New national and global partnerships were formed to strengthen the financial outlook and private sector contributions to the Global Fund. In addition, companies have also announced support for Product (RED) by launching special editions of their products and donating sales proceeds to raise money for the fight against HIV/AIDS through the Global Fund.
NEW GLOBAL FUND PARTNERSHIPS

- **Sony Corporation** has partnered with the Global Fund to provide state of the art equipment and movies. As part of the project, Sony will screen movies for entertainment and also public health videos as a means of educating youth at risk for HIV. The venues for these film screenings will also serve as voluntary HIV screening and counseling locations.

- **Cirrus Oil**, a Ghanian oil company made a contribution of $250,000 to the Global Fund for the treatment and prevention of HIV/AIDS transmission from mother to child.

- **The Coca-Cola Company** committed more than $5 million over the next four years to raise HIV/AIDS awareness and help eliminate mother-to-child transmission of HIV by 2015.

- **SAP**, the global leader in business software, committed to a multi-year partnership and minimum of $1 million annually to the Global Fund to help support programs which provide care, education and counseling to HIV+ mothers, as well as training for HIV/AIDS healthcare workers.

- **América Móvil with the Carlos Slim Foundation** joined the (RED) family and the campaign to help deliver an AIDS Free Generation by 2015. The leading service provider in Latin America, the América Móvil brand made a commitment to deliver a minimum of $1 million annually to the Global Fund during the partnership.

- **Belvedere Vodka**, the world’s first premium vodka, partnered with (RED) to introduce the Belvedere (PRODUCT)RED Special Edition bottle. 50% of Belvedere’s profits from the bottle is contributed to the Global Fund. In addition, multi-platinum recording artists Usher and Mary J. Blige have teamed up with (BELVEDERE) RED to help raise HIV/AIDS awareness and support the Fund.

- **Penfolds**, Australia’s oldest and most iconic winery, is now part of the (PRODUCT)RED family. The partnership launched in early 2011 and has contributed a portion of proceeds from Penfold’s Thomas Hyland and Koonunga Hill wines to the Global Fund.

NEW (RED) PARTNERSHIPS

(RED) has generated more than $180 million for the Global Fund. These funds support HIV/AIDS programs in Africa that have impacted more than 7.5 million people. In 2011, (RED) announced five multiyear partnerships with The Coca-Cola Company, SAP, América Móvil, Belvedere Vodka and Penfolds Wine.

- **The Coca-Cola Company** committed more than $5 million over the next four years to raise HIV/AIDS awareness and help eliminate mother-to-child transmission of HIV by 2015.

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GHANA PRIVATE SECTOR RECEPTION

**(November 19, 2011 Accra, Ghana)**

The Global Fund and GBCHealth convened a select group of international and regional companies, multilateral organizations and government representatives on the evening of November 19 to celebrate private sector partnerships with the Global Fund. Five of the Global Fund’s private sector partners were recognized:

- **Product (RED)** – One of the largest non-governmental donors to the Fund, product (RED) has generated over $180 million in funds for the Global Fund through private sector partnerships.

- **Chevron** – The first Global Fund Corporate Champion contributed $30 million to support AIDS, TB, and malaria programs in Angola, Nigeria, South Africa, Thailand, Indonesia and the Philippines. Chevron has developed partnerships with grant implementers and executed activities that strengthen the fight against the three diseases, furthering the reach and impact of Global Fund grants. Chevron continues support of the Global Fund through a three year $25 million commitment to the U.S.

The following prominent speakers reiterated the increasing impact of private-sector partnerships in Ghana and other countries within Africa and articulated the business imperative for collaborating with the Global Fund:

- **Hon. Joseph Yieleh Chireh**, Minister of Health, Ghana
- **Dr. Mphu Ramatlapeng**, Minister of Health and Social Welfare, Lesotho
- **Dr. Brian Brink**, Global Fund Board Member- Private Sector/ Chief Medical Officer, Anglo American plc
- **Michel Kazatchkine**, Executive Director, Global Fund
- **Matt Lonner**, Manager, Global Partnerships & Programs, Chevron
- **Deborah Dugan**, CEO, (RED)

PSD members networked with invited guests, including Global Fund Secretariat and Board leaders, donor organizations (USAID, DFID, AusAID), and Ghanaian health agencies. There was strong consensus among organizers and participants that this type of event provides great value and visibility for Global Fund corporate partners and that it should be held around future Board meetings and expanded to include all Board members.
I. SHAPE GLOBAL FUND POLICY AND BUSINESS MODEL:

The Private Sector will continue to position itself as a key player in monitoring and guiding the implementation of the Governance Reform, CTP and 5-year Strategy. Through membership on the FOP, MDAG, AMFM and Audit and Ethics Committees, the Private Sector will further utilize its core strengths to drive priority policies and ensure the Global Fund’s transformation yields better return on investments for donors, partners and beneficiaries of its programs.

II. DEEPEN ENGAGEMENT WITH GLOBAL FUND’S PRIVATE SECTOR AND CCM TEAMS

Private Sector Team:

The Private Sector Delegation has expressed a need for closer alignment and collaboration with the GF’s private sector team including playing a key role in the development of its corporate engagement strategy. To that end, the following activities will serve as key focus areas for partnership:

- Work with the PSD to enhance private sector engagement strategies and partnership models.
- Ensure corporate and prospective partners are well profiled and have access to reputation building platforms and established entry points.
- Co-host at least one co-investment, cross-sector forums and meetings to honor private-sector partnerships.
- Quantify and recognize in-kind contributors, including manufacturers participating in the AMFM initiative.
- Consider pledge-matching initiatives to incentivize companies to contribute financial resources.

Engagement with CCMs and NBCs:

The private sector has long played an important role on the CCMs, the multi-stakeholder governing body that develops proposals and oversees grant implementation at the national level. Given Advisory Group members’ interest in playing a more active role within CCMs, the following partnership opportunities with the Global Fund’s CCM Team have been identified for 2012:

- Regional Meetings: Identify additional CCM regional meetings and activities for corporate sector participation.
- CCM Guide for Private Sector: Explore the creation or enhancement of a CCM private sector engagement guide in partnership with the GF Secretariat. The ‘guide’ may include information on the membership process, how companies can leverage their core competencies, good governance and best practice examples.
- CCM/NBC-PSD meetings: Encourage CCM and NBC members to participate in private sector constituency meetings, Global Fund events as well as provide feedback on relevant PSD communications and Global Fund policies. The Focal Point will continue to strengthen the engagement of CCMs and NBCs to ensure their regional knowledge, expertise and insight is reflected in the private sector’s positions at the Committee and Board levels.

III. PSD MANAGEMENT:

Advisory Group Activities

The Focal Point will continue to focus on strengthened governance and effective engagement of Advisory Group members on policy issues - ensuring that members’ priorities are addressed. Activities will include:

- Taskforces: New taskforces will be created within the advisory group as a mechanism for drawing on members’ expertise on various governance and policy issues.

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6 The Team oversees resource mobilization, engagement and partnerships with non-government donors, including corporations, foundations and faith based organizations.
The Taskforces will support the private sector’s representation within the AMFm, MDAG and FOP. Taskforce members will be requested to provide targeted input on matters related to the Global Fund’s risk and investment management strategies.

- **Quarterly Calls**: The Focal Point will also host four quarterly calls for the Advisory Group in January, April, July and October to discuss and provide feedback on key Global Fund developments, Committee updates and policy issues. The Global Fund’s private sector team will be invited to participate on specific calls, as relevant.

- **PSD Annual Retreat (September 5-6, Lyon, France)**: The meeting will focus on the private sector’s role, position and strategy within the Global Fund Board level and opportunities for engagement in various priority regions.

- **Private Sector Constituency Meetings (May 8 and November 12)**: The Focal Point will coordinate and host constituency meetings ahead of the Board meetings to review policy decisions and position statements.

- **Implementation of Conflict of Interest Policy**: Advisory Group members will be required to review the governance guidelines and sign the annual statement and conflict of interest forms by the end of Quarter 1.

- **Communications**: The Focal Point will assess the feasibility of developing an intranet for Advisory Group members with the objective of streamlining Global Fund related communication flow to the group.

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These represent the Affordable Medicines for Facility for Malaria subworking group, Market Dynamics working group and Finance, Operations and Performance Committee.

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### PSD 2012 Calendar

<table>
<thead>
<tr>
<th>JAN 26:</th>
<th>MAY 9:</th>
<th>SEPTEMBER 5-6:</th>
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</thead>
<tbody>
<tr>
<td>Advisory Group Quarterly Teleconference</td>
<td>Global Fund Pre-Board Briefings (Geneva, Switzerland)</td>
<td>Annual PSD Retreat (Lyon, France)</td>
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<thead>
<tr>
<th>MARCH 27-28:</th>
<th>MAY 10-11:</th>
<th>OCTOBER 29:</th>
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<tbody>
<tr>
<td>Finance and Operational Performance (FOP); Strategy, Investment and Impact Committee (SiIC) meetings (Geneva, Switzerland)</td>
<td>Global Fund 26th Board Meeting (Geneva, Switzerland)</td>
<td>Advisory Group Quarterly Teleconference</td>
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<tr>
<th>MARCH 29:</th>
<th>MAY 14-15:</th>
<th>NOVEMBER 12:</th>
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<tbody>
<tr>
<td>Global Fund Board Retreat (Geneva, Switzerland)</td>
<td>GBCHealth Annual Conference and Awards Dinner (New York, NY)</td>
<td>PSD Annual Pre-Board Meeting (Geneva, Switzerland)</td>
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<tr>
<th>APRIL 3:</th>
<th>MAY 8:</th>
<th>NOVEMBER 13:</th>
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<tbody>
<tr>
<td>Advisory Group Quarterly Teleconference</td>
<td>PSD Bi-Annual Pre-Board Meeting (Geneva, Switzerland)</td>
<td>Global Fund Pre-Board Briefings (Geneva, Switzerland)</td>
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<tr>
<th>MAY 8:</th>
<th>WEEK OF JUNE 10:</th>
<th>NOVEMBER 14-15:</th>
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<tbody>
<tr>
<td>Global Fund Private Sector Special Convening (Bangkok, Thailand)</td>
<td>Advisory Group Quarterly Teleconference</td>
<td>Global Fund 26th Board Meeting (Geneva, Switzerland)</td>
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<tr>
<th>WEEK OF JULY 9:</th>
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<tr>
<td>Advisory Group Quarterly Teleconference</td>
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</table>
ANNEX 1

THE GLOBAL FUND STRATEGY FRAMEWORK 2012-2016: “INVESTING FOR IMPACT”*

Vision: A world free of the burden of HIV/AIDS, tuberculosis and malaria with better health for all

Mission: To attract, manage and disburse additional resources to make a sustainable and significant contribution in the fight against AIDS, tuberculosis and malaria in countries in need, and contributing to poverty reduction as part of the MDGs

Guiding principles:
- Being a financing instrument
- Additionality
- Sustainability
- Country ownership
- Multi-sectoral engagement
- Partnership
- Integrated, balanced approach
- Promoting human right to health
- Performance-based funding
- Good value for money
- Effectiveness and efficiency
- Transparency and accountability

Goals:
- 10 million lives saved over 2012-2016
- 140-180 million new infections prevented over 2012-2016

Global plan

<table>
<thead>
<tr>
<th>HIV / AIDS</th>
<th>Global Fund leading targets for 2016</th>
<th>Indicators for other selected services</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNAIDS 2011-2015 Strategy, 2011 Investment Framework, and UNGASS June 2011 Declaration</td>
<td>7.3 million people alive on ARTs</td>
<td>• PMTCT: ARV prophylaxis and/or treatment</td>
</tr>
<tr>
<td>TB</td>
<td>4.6 million DOTS treatments (annual) 21 million DOTS treatments over 2012-2016</td>
<td>• HIV co-infected TB patients enrolled on ARTs</td>
</tr>
<tr>
<td>Malaria</td>
<td>RBM Global Malaria Action Plan 2008 and May 2011 updated goals and targets</td>
<td>90 million LLINs distributed (annual) 390 million LLINs distributed over 2012-2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Targets(^1) (2016)</th>
<th>Global Fund leading targets for 2016</th>
<th>Indicators for other selected services</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV / AIDS</td>
<td>7.3 million people alive on ARTs</td>
<td>• PMTCT: ARV prophylaxis and/or treatment</td>
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<tr>
<td>TB</td>
<td>4.6 million DOTS treatments (annual) 21 million DOTS treatments over 2012-2016</td>
<td>• HIV co-infected TB patients enrolled on ARTs</td>
</tr>
<tr>
<td>Malaria</td>
<td>90 million LLINs distributed (annual) 390 million LLINs distributed over 2012-2016</td>
<td>• Houses sprayed with IRS</td>
</tr>
</tbody>
</table>

Note: Goals and targets are based on results from Global Fund-supported programs which may also be funded by other sources; targets are dependent on resource levels

Strategic Objectives

1. Invest more strategically
   1.1 Focus on the highest-impact countries, interventions and populations while keeping the Global Fund global
   1.2 Fund based on quality national strategies and through national systems
   1.3 Maximize the impact of Global Fund investments on strengthening health systems
   1.4 Maximize the impact of Global Fund investments on improving the health of mothers and children

2. Evolve the funding model
   2.1 Replace the rounds system with a more flexible and effective model
      • Iterative, dialogue-based application
      • Early preparation of implementation
      • More flexible, predictable funding opportunities
   2.2 Facilitate the strategic refocusing of existing investments

3. Actively support grant implementation success
   3.1 Actively manage grants based on impact, value for money and risk
   3.2 Enhance the quality and efficiency of grant implementation
   3.3 Make partnerships work to improve grant implementation

4. Promote and protect human rights
   4.1 Ensure that the Global Fund does not support programs that infringe human rights
   4.2 Increase investments in programs that address human rights-related barriers to access
   4.3 Integrate human rights considerations throughout the grant cycle

5. Sustain the gains, mobilize resources
   5.1 Increase the sustainability of Global Fund-supported programs
   5.2 Attract additional funding from current and new sources

Strategic Enablers
- Enhance partnerships to deliver results
- Transform to improve Global Fund governance, operations and fiduciary controls

## HLP Recommendation and Goals

<table>
<thead>
<tr>
<th>Grant management / Sub Recommendation:</th>
<th>Transformation Area/ Project Name</th>
<th>Project Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. TURN THE PAGE FROM EMERGENCY TO SUSTAINABLE RESPONSE</strong></td>
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</tbody>
</table>
| **1.1 No Amnesty for Fraud, but Focus Oversight on More-Recent Rounds of Grants** | 1A - Develop codes of conduct for Global Fund stakeholders | 1. Code of conduct for OIG staff and contractors  
2. Code of conduct for PRs  
3. Code of conduct for Global Fund secretariat staff  
4. Post OIG audit questionnaires  
5. Training programs |
| | | |
| **1.2 Strengthen the Relationship between the Secretariat and the Inspector General** | 1B - Establish protocols and methods of work between the Global Fund Secretariat and the OIG | 1. Work processes protocol between the Secretariat and the OIG. In administrative matters, the OIG is subject to the same financial, travel, human resources, asset-management and other rules (including pay and classification) as the Secretariat and will remain so. Care must be taken in the application of the administrative rules to ensure they do not, even inadvertently, threaten the OIG’s independence, especially as it concerns equality of service delivery related to: 1. Corporate procurement; 2. Delivery of Human Resources and Staffing Support services; 3 Administrative and Operational needs of the office; 4. Legal Services; and 5. Information Technology |
| | | |
| **1.7 Present to the Global Fund’s Board at regular intervals, report on follow-up to the OIG’s recommendations, prepared by the Secretariat and validated by the OIG** | 1C - Refine the scope and improve the timeliness of OIG reports | 1. Improved quality and scope of audit and investigation reports (including focusing the work on the most recent rounds)  
2. Improved timeliness of audit and investigation reports  
3. Differentiated versions of audit and investigations reports  
4. Audit and investigation reports include comments and feedback from Secretariat and country |
| | | |
| **2. DECLARE A DOCTRINE OF RISK AND MANAGE TO IT** | | |
| | | |
| **2.1 Adopt a New Risk-Management Framework** | 2A - Corporate Risk Management Framework | 1. Recruitment of the Chief Risk Officer (CRO)  
2. Development of the Categorization of Risk  
3. Review and Update of the Current Corporate Risk Register |
| | | |

**The Consolidated Transformation Plan Matrix is adapted from the Global Fund Consolidated Transformation Plan Board document (GF/B25/4 Attachment 1)**
| HLP Recommendation and Goals                                                                 | Transformation Area/Project Name                                                                 | Project Deliverables                                                                 |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Rec. 2 - Goal 2: As part of the review of the existing framework and the development of the new framework, the categorization of risk will be addressed | 2B - Operational Risk Management Framework                                                                 | 1. Completion of the Qualitative Risk Assessment Tool                                  |
| Rec. 2 - Goal 1: The project will review the current risks and will involve the development of a new register. The CRO will be responsible for scheduling and overseeing the reviews of the register and for reporting to the relevant Governance Structures |                                                                                               | 2. Completion of generic Risk Assessment Scope of Work                                  |
| Rec. 5 - Goal 1: The project will cover the appointment of the CRO                                                                                                   | 3. Interim process for prioritization of Risks and Development of Risk Management Plans        |
| Rec. 2 - Goal 1: Development of the Operational Risk Management Framework, including process for reporting into Corporate Risk Management Framework |                                                                                               | 4. IT facilitation of pilot with selected countries (eg CTA)                             |
| Rec. 2 - Goal 2: As part of the development of the new framework, the categorization of risk in relation to Operational Risk Management would be addressed |                                                                                               | 5. Completion of the Grant Risk Model                                                     |
|                                                                                                                                                    | 6. Completion of revised Risk Assessment Scope of Work                                       |
|                                                                                                                                                    | 7. Full set of processes for prioritization of risks and development and tracking against risk management plans |
|                                                                                                                                                    | 8. IT implementation for Risk Modelling and Assessment (Initial release)                    |
|                                                                                                                                                    | 9. Completion of Standard Operating Procedures for the oversight of operational risk        |
|                                                                                                                                                    | 10. Agreement of risk-based approval and escalation framework aligned with Board and Senior Management guidance on risk tolerance |
|                                                                                                                                                    | 11. IT support for process segmentation and automation (Initial Release)                    |
|                                                                                                                                                    | 12. Completion of the Risk Mitigation Toolbox                                               |
|                                                                                                                                                    | 13. Review efficiency and effectiveness of framework and update the tools and processes based on lessons learned |

**Grant management / Sub Recommendation:**

This recommendation is covered by the following project

2.2 Redefine “Country Ownership” 4C - Enhancing partnerships work to improve grant implementation and mitigate risk

**Risk management / Sub Recommendation:**

2.3 Apply the Risk-Management Framework to the Existing Portfolio

Note: partially cover also 4.2 Apply Risk-Differentiated Grant Processes and Requirements

Rec. 2 - Goal 4: The Global Fund needs to define a consistent and logical allocation of its Secretariat staff across countries to reflect the level of risk and complexity of the portfolio.

Rec. 2 - Goal 5: Apply differentiated safeguards to the different categories of countries, including for the management of sub-recipients

Rec. 2 - Goal 6: Focus inspection and audit resources in the area of highest risk

Rec. 2 - Goal 10: Identify work on mitigating other identified risks, including modifying the TORs and scope of work of LFAs

Rec. 4 - Goal 2: Apply risk-differentiated grant processes and requirements

**Grant management**

Rec. 2 - Goal 10: “Intensify work on mitigating other identified risks”. Under this recommendation, the project focuses on addressing gaps in the Global Fund’s grant-making processes – which are often the underlying causes of heightened risks.

**2D - Improved Grant Management - Processes**

1. Fully functioning Quality Team

2. Standard Operating Procedures (SOPs) developed for all key Global Fund processes (80 SOPs)

3. Automated process in place to allow seamless use of SOPs by FPMs and POs
<table>
<thead>
<tr>
<th>HLP Recommendation and Goals</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Rec. 5 - Goal 6: Improved communications between all Global Fund actors</td>
<td></td>
<td>4. Partly (Secretariat portion) automated disbursement process (Initial Release)</td>
</tr>
<tr>
<td>Rec. 2 - Goal 3: Improving the effectiveness of CCMs</td>
<td></td>
<td>5. Fully automated disbursement process (including for PRs and LFAa)</td>
</tr>
<tr>
<td>Rec. 1 - Goal 1, Rec. 6 - Goal 1, Rec. 2 - Goal 7, Goal 8 and Goal 9: Improving the effectiveness of PRs and SRs (alongside CCMs) “Create a set of clear, simple and practical basic standards in the rules of fiduciary documentation and ethical behaviour”. Rec. 5 - Goal 2 and Goal 4, Rec. 1 - Goal 2, Rec. 2 - Goal 3</td>
<td></td>
<td>6. Fully functioning automated grant-management tool allowing the planning and tracking of key grant milestones and actions(Initial Release)</td>
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<td>7. Streamlined grant renewals through Periodic Reviews</td>
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<td>8. Significantly improved filing system for grant documentation, including key secretariat-country communications(Initial Release)</td>
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<td>9. Communications Protocol approved by the Secretariat</td>
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<td>10. Training modules developed</td>
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<td>11. Clear set of minimum standards at CCM, PR and SR levels defined and formalized</td>
</tr>
<tr>
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<td>12. Pilot: five weak CCMs delivering significantly improved program oversight</td>
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<tr>
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<td>13. Formalization of lessons learned, and roll-out of improvement plan to a further CCMs</td>
</tr>
</tbody>
</table>

### 3. STRENGTHEN INTERNAL GOVERNANCE

#### Governance / Sub Recommendation:

**3.1 Focus the Global Fund’s Board on Management, Strategy and Risk-Management**

Rec. 3 - Goal 1: Make more time on the Board’s agenda to focus on its core roles of policy-setting, evaluation management, strategy and risk-management, and the essential element of improved financial control and fiduciary oversight

<table>
<thead>
<tr>
<th>3A - Identify the Role of the Board</th>
<th>1. Re-state and more clearly articulate the role of the Board, according to clear functions that are collated according to best practice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Develop a revised Board structure that aligns each of the Board’s key functions to the Board role framework</td>
</tr>
<tr>
<td></td>
<td>3. Develop and introduce recommended minimum competencies and role descriptions for Board Members, Alternate Members and Communication Focal Points</td>
</tr>
<tr>
<td>Not included</td>
<td>4. Potential transformation of the donor and implementer “bloc” Board configuration to a model that differentiates Board participation beyond the “donating money” and “implementing grants” existing framework</td>
</tr>
<tr>
<td></td>
<td>5. Developing and implementing a strategy for improving implementer engagement in the overall Global Fund governance framework, including a focus on cross-constituency collaboration</td>
</tr>
</tbody>
</table>

**3.2 Re-purpose the Committees**

<table>
<thead>
<tr>
<th>3C - Define an appropriate Committee structure and membership framework to strengthen committee participation and performance</th>
<th>1. Replace the existing 4 standing committees with 3 re-purposed committees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Develop a clear „Charter“ for each committee to more clearly define its role within the governance framework, aligned to the newly identified „Board Role“</td>
</tr>
<tr>
<td></td>
<td>3. Move the committee nomination and selection process to a more competency-based model through agreed minimum competencies</td>
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<td></td>
<td>4. Strengthen committee leadership by the introduction of neutral committee Chairs and Vice-Chairs that are selected by the Board leadership</td>
</tr>
<tr>
<td></td>
<td>5. Ensure integration of the mandates of ad-hoc committees into the new committee structure to ensure optimal alignment with strategic direction</td>
</tr>
</tbody>
</table>
### 3.3 Create an Executive Staff to Support the Global Fund’s Board

Rec. 3 - Goal 2: As stated in column “HLP Recommendation”

Rec. 3 - Goal 4: Prepare and publish a simple, practical handbook to guide Board members on their roles, and on how the Global Fund Board conducts its business

### 3.4 Improve Board and Committee self-governance, strategic leadership on risk-interdependencies, and administrative

1. Establish a Board “Coordinating Group” with defined roles and responsibilities
2. Develop and implement a revised business plan for optimal Board and Committee secretariat support under the new committee structure, with appropriate staffing
3. Design and implement an induction and continuous self-development program for the Board and its committees

### 4. STREAMLINE THE GRANT-APPROVAL PROCESS

#### Resource allocation, investment, results measurement and evaluation / Sub Recommendation:

**4.1 Institute a Two-Stage Grant Process**

Rec. 4 - Goal 1: The project has an intermediate step in transitioning towards the new Two-Stage Grant Approval Process. Round 11, NSA Second Wave and HSFP (already launched but delayed) provide an early opportunity for transitioning towards the future model. This project (subject to Board approval at the 25th Board meeting) will accelerate implementation of aspects of the two-stage application model.

Rec. 4 - Goal 2: Design funding allocation involves a new, more predictable, risk informed approach to allocation of resources, and requires re-alignment with the Comprehensive Funding Policy.

**4.2 Design and roll out two stage application/approval model**

Sub-project 1:
1. Options on allocation methodology and proposed allocation for SII Committee
2. Proposal to SII Committee
3. Proposal to Board
4. Communication materials to countries and partners

Sub-project 2:
5. Pre-proposal and full proposal forms, guidelines and process designed
6. Updated TORs for TRP, partners, LFA’s, etc.
7. TRP Recruitment
8. Lessons learned report
9. Post-launch support to countries, partners and Country Teams

#### Grant management / Sub Recommendations:

**4.1 Institute a Two-Stage Grant Process**

**4.2 Apply Risk-Differentiated Grant Processes and Requirements**

Rec. 2 - Goal 3: Re-define country ownership

Rec. 4 - Goal 1: Institute 2-stage Grant Process

Rec. 4 - Goal 2: Apply risk-differentiated grant processes and requirements:

Rec. 6 - Goal 2: Focus on quality and value rather than quantity

This project will ensure more proactive partnership engagement at country level in order to leverage greater mutual accountability among all stakeholders for risk mitigation and grant implementation.

Elements of the project include the development of a new definition of country ownership capturing the importance of multi-stakeholder involvement

**4C - Enhancing partnerships work to improve grant implementation and mitigate risk**

Sub-project 1:
1. New definition of country ownership approved by EMT and board

Sub-project 2:
2. Country specific partner’s arrangements (CPA) in place in 5 pilot countries to enhance shared responsibly among partners including national governments for Global Fund grants.

3. Co-investment country specific plans of action for 3 key countries developed.

Sub-project 3:
4. Analysis of partner engagement in TA/CB (including partners at country, regional and global level) completed in collaboration with technical partners

5. TA/CB plans developed for 5 pilot countries which clearly define the roles and responsibilities of all partners

6. A review of how to make better use of existing funding flexibilities at country level in order to ensure TA/CB plans are fully funded completed

7. A framework for capacity building to includes funding for MARPS developed and tested
### 5. EMPOWER MIDDLE-MANAGEMENT’S DECISION-MAKING

<table>
<thead>
<tr>
<th>HLP Recommendation and Goals</th>
<th>Transformation Area/Project Name</th>
<th>Project Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk management / Sub Recommendation:</td>
<td>This recommendation is covered by the following project (please refer to page 3):</td>
<td></td>
</tr>
<tr>
<td>5.1 Establish a Chief Risk Officer</td>
<td>2A - Corporate Risk Management Framework</td>
<td></td>
</tr>
<tr>
<td>Grant management / Sub Recommendation:</td>
<td></td>
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<tr>
<td>5.2 Align the Staffing Pattern to Bolster Grant-Management</td>
<td></td>
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<tr>
<td>Rec. 5 - Goal 2: Aligning the Secretariat’s workforce to bolster grant management, including immediate strengthening of CTAs, while ensuring efficient related activities</td>
<td>5E - Workforce Alignment</td>
<td>1. High-risk countries identified for 100% FPM coverage in Country Teams. Pilot revised CTA concept 2. Staff identified and reassigned to Country Teams 3. Organizational model and staffing requirements (based on risk stratification matrix) established for grant management and direct supporting activities 4. Lean organizational management models established for non-grant related and corporate functions 5. Increased staffing flexibility and knowledge base for workforce alignment established 6. Workforce architecture and organizational blueprint for realignment established 7. Process for alignment established and communicated 8. Secretariat’s workforce fully realigned to bolster grant management</td>
</tr>
<tr>
<td>Secretariat organization</td>
<td></td>
<td></td>
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<tr>
<td>Grant management / Sub Recommendation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3 Empower the Fund Portfolio Managers 5.4 Streamline and Expand the Country Teams Rec. 5 - Goal 3: The project will outline a decision-making framework for FPMs/ Country Teams in the context of expanding Country Teams with focus on active problem-solving, reasonable judgement, decreased bureaucracy and engaged communications. Rec. 5 - Goal 4: The project will identify and define options for streamlining and expanding the Country Teams across the portfolio in line with the risk management framework.</td>
<td>5A - Improved Grant Management - Organization and Structure</td>
<td>1. Updated ToRs of Country Team members 2. Updated Decision making framework for FPMs and country teams 3. Framework for rotation and professional development 4. Definition of the accountability of country team members and performance expectations 5. Additional CTA countries identified and required staff assigned 6. CTA expansion based on risk factors and resource requirements 7. Tailored scope of work for LFAs for expanded CTA portfolio 8. Increase of number of countries managed under CTA</td>
</tr>
<tr>
<td>Secretariat organization / Sub Recommendation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.5 Reinforce the Executive Management Team Rec. 5 - Goal 5: Draw up Terms of Reference for the Executive Management Team supported by practical guidelines to reflect its enhanced role and functions as the primary decision making body of the Secretariat</td>
<td>5D - Reinforce the Executive Management Team</td>
<td>1. Approved Executive Management Team terms of reference, operating procedures, and terms of reference for the Executive Management Team support staff 2. Individual assessment of EMT members by independent consultants 3. Coaching and personal training sessions for EMT members to improve management and leadership skills following the assessment 4. Collective assessment of the EMT by independent consultants</td>
</tr>
</tbody>
</table>
### Grant management / Sub Recommendation:

#### 5.6 Leverage the Investment in the Local Fund Agents

**Rec. 5 - Goal 6:** The project will develop options for tailoring LFA services in line with risk stratification and leveraging the investments in LFAs

<table>
<thead>
<tr>
<th>Project Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>5B - Leverage the Investments in LFAs</td>
</tr>
<tr>
<td>1. New model for procurement of LFA services</td>
</tr>
<tr>
<td>2. Analysis of LFA resource allocation and costs for minimum five additional CTA countries to be identified</td>
</tr>
<tr>
<td>3. LFA resourcing for all CTA portfolios</td>
</tr>
<tr>
<td>4. Each CT tailored to key portfolio risks</td>
</tr>
<tr>
<td>5. Set updated minimum requirements for LFA experts</td>
</tr>
<tr>
<td>6. Revise LFA tools based on the new risk management framework</td>
</tr>
<tr>
<td>7. Revise ToRs for interactions between LFAs and external auditors</td>
</tr>
<tr>
<td>8. Revise in-country communications protocols involving all partners.</td>
</tr>
<tr>
<td>9. Training needs identified and events developed</td>
</tr>
<tr>
<td>10. New LFA contract formats for greater transparency of costs</td>
</tr>
</tbody>
</table>

#### Risk management / Sub Recommendation:

#### 5.7 Define and Clarify the Role and Responsibilities of External Auditors

**Rec. 5 - Goal 7:** Define revised scope of reviews and responsibilities of external auditors, strengthen audit arrangements at PR and SR level and outline role of LFAs

<table>
<thead>
<tr>
<th>Project Deliverables</th>
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</thead>
<tbody>
<tr>
<td>5C - Define Responsibilities of External Auditors</td>
</tr>
<tr>
<td>1. Revised ToRs for external audits of PRs</td>
</tr>
<tr>
<td>2. Revised Guidelines for SR audits</td>
</tr>
<tr>
<td>3. Revised ToRs for external audits of PRs developed</td>
</tr>
<tr>
<td>4. Revised scope of LFA work with external auditors and whenever applicable with national audit institutions to include requirement for structured interactions</td>
</tr>
<tr>
<td>5. Set of minimum standards for the scope-of-work for external auditors for PRs submitted to Audit Committee</td>
</tr>
</tbody>
</table>

### 6. GET SERIOUS ABOUT RESULTS

#### Resource allocation, investment, results measurement and evaluation / Sub Recommendation:

#### 6.1 Measure Outcomes, Not Inputs

**Rec. 6 - Goal 1:** This project will systematically build in evaluations into service delivery areas (SDAs) and interventions that need to be tracked against investments and examine the alignment of the enhanced financial reporting system of the Global Fund to grant budgets

<table>
<thead>
<tr>
<th>Project Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>6B - Improve and link financial reporting framework to Global Fund services and investments</td>
</tr>
<tr>
<td>1. Revised guidance to Principal Recipients and Sub-recipients on financial reporting against a selected number of service delivery areas, while ensuring alignment with country reporting systems and harmonization with technical partners</td>
</tr>
<tr>
<td>2. Roll out of new reporting system to countries,</td>
</tr>
<tr>
<td>3. IT solution linking budgets to expenditure (initial release)</td>
</tr>
<tr>
<td>4. New Results framework for corporate reporting by disease, for end 2012 Results</td>
</tr>
</tbody>
</table>

#### 6.2 Focus on Quality and Value, Rather than Quantity

**Rec. 6 - Goal 2:** This project will systematically build in evaluations into program design and reviews, with a focus on outcomes and impact

<table>
<thead>
<tr>
<th>Project Deliverables</th>
</tr>
</thead>
<tbody>
<tr>
<td>6A - Improve results reporting, strengthen data management systems, and focus on quality</td>
</tr>
<tr>
<td>1. Report on suitability of targets in grants, and appropriateness of indicators to disease epidemiology and program design</td>
</tr>
<tr>
<td>2. New guidance on Performance Frameworks for Global Fund grants that reflects the iterative dialogue process with countries and technical partners</td>
</tr>
<tr>
<td>3. New M&amp;E Toolkit under development in collaboration with partners introduced</td>
</tr>
<tr>
<td>4. Data quality assessed in 15 high risk countries.</td>
</tr>
<tr>
<td>5. New data governance system introduced in Secretariat to provide oversight and assurance on quality and consistency</td>
</tr>
<tr>
<td>6. Global Fund Evaluation Strategy approved by the Board</td>
</tr>
</tbody>
</table>
### HLP Recommendation and Goals

| Rec. 6 - Goal 1 and Goal 2: This project will enhance measurement and PbF at key grant stages to link investment decisions and KPIs to outcome/impact | 6C - Focus Performance-based funding (PBF) on outcomes and impact to improve strategic investments | 1. Revised PBF policy to emphasize impact in consultation with partners  
2. Improved performance report to TRP, and review of TRP policy guidance to inform iterative process and dialogue with partners  
3. Assess outcome reporting gaps and policy to address them, including investments with partners in capacity gaps  
4. Revised corporate KPI framework, with strong accountability on delivery of PBF, approved by the 26th Board and in consultation with partners  
5. New operational guidance to accelerate application of enhanced PBF at periodic reviews including improved scope and flexibility for reprogramming and counterpart financing |

| Rec. 6 - Goal 2: This project will improve linkage of program and cost data, including a method for defining cost per service or cost per person treated/served for key interventions and SDA's | 6D - Improved value for money in strategic investment decisions | 1. Introduce value for money framework throughout grant life-cycle  
2. Implement Market Dynamics Strategy for selected products  
3. Options for improving programmatic-financial linkages and integration of unit cost per service indicators developed for three to five key services  
4. Necessary revisions to grant reporting requirements, templates, guidance, and IT systems  
5. Enhanced partner databases on disease program spending for assessing compliance with counterpart financing policy |

### Secretariat organization / Sub Recommendation:

<table>
<thead>
<tr>
<th>6.3 Consolidate the Reform Agenda</th>
</tr>
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</table>
| Rec. 6 - Goal 3: Coordinate the work streams from the Comprehensive Working Group, More Effective and Efficient Global Fund, High-Level Panel and strategy-development process into a single, revised Consolidated Reform Plan | 7E - Implement The Global Fund Consolidated Transformation Plan | 1. Program Management office set up and running  
2. Communication Plan  
3. Consolidated Transformation Plan  
4. Periodical progress Status Reports |

### Resource mobilization

| Rec. 6 - Goal 3: Coordinate the work streams from the Comprehensive Working Group, More Effective and Efficient Global Fund, High-Level Panel and strategy-development process into a single, revised Consolidated Reform Plan | 7A - Create a cohesive corporate culture | 1. Workshop designs completed  
2. Baseline survey conducted  
3. Workshops completed to all clusters including OIG and OED  
4. Follow up surveys conducted |

| Rec. 6 - Goal 3: Coordinate the work streams from the Comprehensive Working Group, More Effective and Efficient Global Fund, High-Level Panel and strategy-development process into a single, revised Consolidated Reform Plan | 7B - IT Unit Reorganization | 1. IT structure definition  
2. Governance model  
3. Delivery model designed  
4. Transformed delivery model delivered |

| Rec. 6 - Goal 3: Coordinate the work streams from the Comprehensive Working Group, More Effective and Efficient Global Fund, High-Level Panel and strategy-development process into a single, revised Consolidated Reform Plan | 7F - Review of Replenishment Mechanism | 1. Replenishment mechanism analysis identifying problems and developing options for resolution  
2. Enhanced replenishment mechanism agreed by Board |

| Direct link to key HLP theme of sustainability in a time of austerity. The project will examine how the current replenishment mechanism has served the Global Fund to date. Particular emphasis will be on its suitability to an environment of constrained donor resources and its sustainability over several replenishment periods. It will build on the work of the Comprehensive Funding Policy Working Group, a further review of Multilateral Development Bank replenishment mechanisms and early experience with the MYca (Multi-Year Contribution Agreement) instrument | | |
ANNEX 3
PRIVATE SECTOR CONFLICT OF INTEREST ASSESSMENT FORM

Advisory Group members are required to sign this COI form to ensure the group is acting in the interest of the Global Fund and broader private sector constituency.

| Company:                                      |
|                                              |
| Representative's Name (s):                   |
|                                              |
| Formal responsibilities with the Global Fund |
|                                              |
| Current engagement with the GF Secretariat   | (LFA contracts, any other contractual arrangements, pro-bono arrangements and other.) |
| Current engagement with any principal recipient |
| Current engagement with procurement agent for GF grants |
| Other forms of engagement with current GF system |
| Investments in a commercial entity with an interest related to the subject of PSD activities |
| Current intellectual property rights that might be enhanced or diminished by the outcome of PSD activities |
| Relationships (substantial common personal, financial or professional interests) that would benefit or be adversely affected by the outcome of PSD activities |
| Employment or consulting engagement with commercial entities that have an interest related to the subject of PSD activities |
| **Other Comments**                           |
| *(please include other company representatives who may occasionally represent your company within the Advisory Group)* |

Declaration:

I hereby declare that the disclosed information is true and complete to the best of my knowledge. Should there be any change to the above information, I will promptly notify the Focal Point.

Signature ______________________ Date ______________________ No: ______________________

Private Sector Constituency Annual Compliance Statement

By signing and dating below, the Private Sector Constituent member has read, understood, and agreed to comply with the “Governance Guidelines for the Private Sector Constituency to the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria” and its Annexes.

Signed: ______________________ Company: ______________________