ADVISORY GROUP

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- Elizabeth Hanpeter, Senior Manager, HIV Global Projects

**ABT ASSOCIATES**
- Dr. Ann Lion, VP, International Health Policy & Systems
- Nazzareno (Naz) Todini, Senior Associate

**ACCESS BANK PLC**
- Omobolanle Babatunde, Head, Corporate Communications and Sustainability

**ANGLO AMERICAN**
- Dr. Brian Brink, Chief Medical Officer

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- Rebecca Stevens, Director of Public Affairs, Novartis Malaria Initiative

**VALE**
- Dr. Carla Decotelli, Global Health Corporate General Manager, Health & Safety Department
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**VESTERGAARD FRANDSEN**
- Sanne Fournier-Wendes, Global Partnership Manager
- Thomas Sørensen, Managing Director – Vector

**SANOFI**
- René Cazetien, Associate VP Operations, Access to Medicines

**SUMITOMO CHEMICAL**
- Adam Flynn, Sales & Marketing Manager Global Vector Control
- Lisa Goldman-Van Nostrand, Strategic Advisor

**(PRODUCT)RED**
- Luisa Engel, Senior Manager of ONE/(RED) Special Projects

**SABMILLER**
- Duncan Gordon, Communications and Sustainable Development Manager, Africa

**Focal Point:** GBCHealth
Global Fund Private Sector Delegation

2013 Annual Report

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A Message from the Private Sector Board Member and Alternate Board Member

2013 was a year of transition and progress within the Global Fund. From the launch of the pilot phase of the new funding model to welcoming new leadership at the Secretariat, Board and Office of the Inspector General, the Global Fund has entered its second decade with renewed momentum and ambition—and the private sector has continued to play a central role in many aspects of the Fund’s work.

The Private Sector Delegation (PSD) has benefitted from a strong, dedicated and diverse membership of companies, who bring to our work unparalleled business acumen, technical expertise, implementation know-how and a commitment to defeating the three diseases. The delegation has had a voice in all of the Fund’s major 2013 achievements, from the Replenishment to the new funding model and the Fund’s performance framework.

Over the course of the year, we’ve strengthened collaboration with other stakeholders—technical partners such as Roll Back Malaria and the Stop TB Partnership, the Secretariat’s Private Sector and Procurement Units, and fellow Board constituencies like Private Foundations and the Donor Bloc—which has helped us achieve broader reach and unlock new opportunities for partnership.

The PSD also undertook an ambitious analysis to better understand the ways that private sector companies can, and already are, contributing to the Global Fund’s mission. The commissioned report, compiled by TropMedPharma and Abt Associates with support from GBCHealth, detailed company investments of over $1 billion in HIV/AIDS, TB, malaria and health systems over the 2010-2012 period. These investments took a variety of forms, including research and development, direct and indirect support to Global Fund and national programs, pro-bono services and technical support.

Indeed, opportunities for the private sector to partner with the Fund have never been greater, including in-country co-investment, partnership through the Innovation Coalition, direct engagement as implementers or suppliers, strategic oversight as members of Country Coordinating Mechanisms (CCMs) or Regional Steering Committees, and new or continuing contributions to the 4th Replenishment. The PSD remains committed to maximizing these opportunities for the greatest potential impact, helping to identify new, improved and expanded partnership opportunities, and advocating for recognition of the private sector’s varied role in supporting the work of the Fund.

Finally, as Renuka and I embark on our new terms in PSD leadership roles, we want to take a moment to acknowledge Brian Brink, Chief Medical Officer of Anglo American plc, and an active leader within the PSD ever since the Global Fund’s inception over eleven years ago. In mid-2013, Brian stepped down as the Private Sector Board Member, after eight consecutive years serving as a PSD Board Representative. His tremendous commitment and dedication to the PSD and the Fund have helped establish the private sector as a trusted Global Fund partner and a strong voice within the Board. On behalf of the delegation, I would like to express my gratitude for his leadership over the years, and I’m glad that he’ll remain an active PSD member in 2014.

PAUL SCHAPER,
PSD Board Member
Executive Director
Global Public Policy, Merck/MSD

RENUKA GADDE,
PSD Alternate Board Member
Vice President
Global Health, BD
Private Sector Delegation
Key Updates and Achievements

The Private Sector Delegation (PSD) actively contributed to shaping many important Global Fund governance and policy decisions over the course of the year. Through interventions at Board meetings, PSD representation at committee meetings, comments in electronic votes and policy papers submitted in advance of decisions, the PSD consistently brought private sector perspectives and a focus on efficiency, transparency and progress to Global Fund deliberations.
PSD Leadership Changes: New Private Sector Board Member, Alternate Board Member and Focal Point

Early in the year, PSD Advisory Group members elected a new Board Member and Alternate Board Member to represent the delegation at the Global Fund Board. Paul Schaper, Executive Director Global Public Policy, Merck/MSD, and Renuka Gadde, Vice President, Global Health, BD, were selected as Board and Alternate Board Members, respectively, in a transparent and inclusive election process coordinated by the PSD Focal Point and outgoing Board Member. Mr. Schaper and Ms. Gadde assumed their roles at the conclusion of the 29th Board Meeting on June 20, 2013.

An active PSD member since 2010, Mr. Schaper brings to the role over two decades of global health policy, disease prevention and treatment experience. His priorities for the term include ensuring effective PSD contribution to scaling-up the Fund’s new funding model, expanding private sector partnerships on the ground and further diversifying PSD membership geographically and by sector. As re-elected Alternate Board Member, Ms. Gadde draws on her experience in the first term, on her expertise in the diagnostics field, and on her work with BD’s global health activities and partnerships.

At the end of the June Board Meeting, Brian Brink, Chief Medical Officer, Anglo American plc, stepped down as PSD Board Member after serving in a leadership role for the maximum eight years — two successive terms as Alternate and two subsequent terms as Board Member. Dr. Brink

GLOBAL FUND BOARD LEADERSHIP CHANGES

NAFSIAH MOBI
BOARD CHAIR, 2013-2015

New Board Chair Dr. Mboi brings over 40 years of experience in national and global public health to the position. Dr. Mboi serves as the Minister of Health of the Republic of Indonesia, and was previously Secretary of Indonesia’s National AIDS Commission, where she oversaw the planning, coordination and implementation of the national response to HIV/AIDS. Dr. Mboi also served as a member of Indonesia’s Parliament from 1992-1997, Chair of the United Nations Committee on the Rights of the Child from 1997-1999 and Director of the Department of Gender and Women’s Health at the World Health Organization in Geneva. Originally trained as a pediatrician, she later earned a Master’s degree in Public Health at Prince Leopold Institute of Tropical Medicine in Antwerp and was a Takemi Fellow at the Harvard School of Public Health.

MIRIELLE GUIGAZ
BOARD VICE-CHAIR, 2013-2015

Ambassador Guigaz takes on the Vice-Chair position, having most recently served as France’s Ambassador for the Fight Against HIV/AIDS and Communicable Diseases and France’s representative on the Board of the Global Fund. She has served on the Strategy, Investment and Impact Committee (SIIC) and the Audit and Ethics Committee (AEC), as well as on the Boards of UNITAID and Roll Back Malaria. Amb. Guigaz has devoted her career to issues of global health, development and human rights through numerous positions, such as France’s Permanent Representative to the Food and Agriculture Organization. She holds a Ph.D. in Medical Law and Health Care Economics from the University of Lyon, a Master of Law and Political Science from the Institute of Political Studies of Lyon and a Master’s degree in mediation from the Kurt Bosch Institute.
successfully led the PSD through a time of major transitions at the Fund, representing the private sector on key policy, strategy and leadership decisions at the Board. In 2013, GBCHealth was re-appointed as the PSD’s Focal Point for a new three-year term starting in June. GBCHealth’s Whitney White, who has served as Interim Focal Point since mid-2012, was confirmed in the Focal Point role in the new term. Over the next three years, GBCHealth will continue to facilitate the PSD’s participation in activities and communications that bring the private sector’s voice to Global Fund Board governance and policy development.

**Analysis of Private Sector Contributions to the Global Fund**

In 2012, the PSD launched a yearlong project to develop a comprehensive assessment of private sector contributions to the Fund, culminating in the October 2013 report, *Beyond Cash: More than Money*. TropMedPharma LLC and Abt Associates, with support from GBCHealth, carried out the work on behalf of the PSD. The findings were presented at a joint briefing session on private sector strategy co-organized by the PSD and the Global Fund private sector team in advance of the Global Fund’s 30th Board Meeting in November.

The project team analyzed the different ways that the private sector can contribute to the Global Fund, including financial donations, preferential discounts for goods and services, technical support offered to Global Fund grants, product supplies, research and development and indirect support through health-systems strengthening initiatives. In addition to surveying dozens of private sector organizations, the team conducted interviews with Global Fund staff and reviewed publicly available information to arrive at an estimated monetary value for the private sector’s contributions to the success of the Global Fund and its programs during 2010–2012.

The study showed that the private sector has been a dedicated partner to the Global Fund, supporting the implementation of grants at the Secretariat and in-country levels, as well as working directly with in-country partners to support national disease responses that work in parallel to, and complement, Global Fund investments. In addition to sizeable cash contributions, companies had provided discounts, technical support and pro-bono services. When combined with indirect investments in recipient countries, companies’ uncounted contributions far exceeded their cash donations. The largest contributions by private sector companies were in the research and development category to maintain and extend the supply of quality health products. In documenting these diverse contributions, the report underscored the corporate sector’s unique ability to advance the Global Fund’s mission.

**Global Fund’s Fourth Voluntary Replenishment**

Over the course of 2013, the Global Fund hosted a series of meetings for governments and other donors and stakeholders to consider the Fund’s latest impact results and its funding needs for the next three years. These meetings were conducted in preparation for the 4th Voluntary Replenishment, a pledging mechanism held once every three years to renew funding for Global Fund programs.
The meeting culminated in the 4th Pledging Conference entitled, “No Time to Lose: Sharing the Responsibility to Save Lives,” hosted by the United States Government on 2-3 December in Washington, D.C.

Preparatory Meetings in Brussels, 8-10 April
During the 4th Replenishment preparatory meetings, the Global Fund announced a target of raising $15 billion to effectively fund the battle against the three epidemics in the 2014-2016 period. Together with projected funding from countries and other external donors, this amount would fund 87 percent of global treatment, prevention and care gaps for HIV/AIDS, TB and malaria. Global Fund leadership and partners made a forceful case for the critical timing of the Replenishment, highlighting an unprecedented opportunity to leverage scientific advances, epidemiological insights and implementation know-how to turn the tide against the three diseases. Then-PSD Board member, Brian Brink, Chief Medical Officer of Anglo American plc, and GBCHealth's Whitney White, the PSD's Focal Point, represented the PSD at the meeting.

“No Time to Lose” Pledging Conference in Washington, D.C., 2-3 December
Hosted by the U.S. Government, the Global Fund’s Pledging Conference raised $12 billion in pledges to finance Global Fund programs in 2014-2016. This represents a 30 percent increase compared to $9.2 billion committed in 2010. The United States—the Fund’s largest donor—announced a starting pledge of $4 billion over three years, committing to increase their contribution by an additional $1 for every additional $2 from other donors, up to a maximum three-year contribution of $5 billion. The United Kingdom announced a three-year contribution of GBP 1 billion (US$1.6 billion) or up to 10 percent of the total replenishment, a near-doubling of their 2010 commitment. The governments of Japan, Switzerland and Canada increased their three-year commitments by 40 percent, 30 percent and 20 percent, respectively, over their 2010 pledges. France, Germany and other existing donors reaffirmed their support for the Fund’s work, while emerging economies including Nigeria, Mexico, China, India and Thailand also made pledges. The Bill and Melinda Gates Foundation, the largest non-government donor to the Fund, announced a $500 million pledge, including a matching fund of up to $200 million to incentivize other donor commitments.

The events featured U.S. Secretary of State John Kerry, Global Fund Executive Director (ED) Mark Dybul, philanthropist Bill Gates, UN Ambassador Samantha Power and senior representatives from UNAIDS, UNICEF, governments and Global Fund corporate partners, such as Chevron, Eli Lilly and Vale, among others. The pledging conference was a starting point for ongoing resource mobilization and partnership-brokering throughout 2014-2016.

Private Sector Partnerships in the 4th Replenishment
The Global Fund’s replenishment strategy included the private sector as one of its four key pillars, along with traditional Official Development Assistance, emerging economies and domestic financing from implementing countries.

On 2 December, many companies announced pledges to the 4th Replenishment, including:

(PRODUCT)RED: $40 million over two years
BHP BILLITON: $10 million over three years
CHEVRON: $5 million over two years
VALE: $3 million over three years
TAKEDA PHARMACEUTICAL COMPANY LIMITED: $3 million over three years
ECOBANK TRANSNATIONAL INCORPORATED and the ECOBANK FOUNDATION: $3 million over three years
During the Pledging Conference, major partnerships were announced under the Global Fund’s new Innovation Coalition initiative, in which private sector companies will contribute their core expertise, assets and technical knowledge to address challenges, develop cost-effective solutions and enhance the impact of Global Fund-supported programs. SAP AG unveiled a partnership with USAID-GMS to develop a grant oversight management platform that will improve Global Fund grant performance, monitoring and evaluation.

**New Funding Model Launched in 2013, with Full Implementation to Begin in Early 2014**

In 2013, the Global Fund launched the Transition Phase of the New Funding Model (NFM), an evolution of the model that aims to “invest more strategically,” maximize the impact and management of grants and provide implementing countries with higher predictability and flexibility in applying for funding. Throughout 2013, the Strategy, Investment and Impact Committee (SIIC) also recommended major elements of the model’s design for Board approval, including the global disease split, specifics of the allocation formula, and administration of indicative and incentive funding. Full roll-out and implementation of the NFM is scheduled for 2014.

**Board Approved $622 Million in Grant Funding for Accelerated Early Applicants**

In February, the Board approved the Finance and Operational Performance Committee’s (FOPC) recommendation of $1.9 billion in incremental funding for the 2013-2014 transition phase. Later that same month, the Fund announced nine early applicants to pilot the new model: six countries—El Salvador, Myanmar, Zimbabwe, the Democratic Republic of the Congo, the Philippines and Kazakhstan—and three regional programs—Regional Artemisinin Resistance Initiative (Mekong), Regional Malaria Elimination Initiative in Mesoamerica and Hispaniola, and Eurasian Harm Reduction Network. An additional 44 countries and one regional initiative were also granted interim funding under the transition, which allows piloting of select steps in the new model through renewals, reprogramming or extensions of existing grants.

In June, five concept notes from three accelerated early applicants—including three submissions for HIV/AIDS from El Salvador, Myanmar and Zimbabwe, and one each for TB and malaria from Myanmar—were approved by the Global Fund Board for a total amount of $622 million. The grant agreements were signed within three weeks of the Board’s approval of the funding, and the entire process from announcement of the funding allocations to grant signing took just over four months. Although review and approval timelines under the full roll-out are unlikely to match such an accelerated pace once concept notes are submitted in larger numbers, the new process is still expected to be faster and more efficient for most applicants when compared to the former rounds-based system. The Secretariat expects to sign grants for about half of the eligible disease programs for the entire three-year allocation period in 2014.

**NFM’s KEY PRINCIPLES**

- **Flexible timeline**
  Eligible countries can apply at any point during the 2014-2016 allocation period, allowing greater alignment with national priorities and budgeting cycles.

- **Predictability**
  All eligible countries will be informed of an indicative funding amount—a grant range that will be available for a country’s priority interventions. Applicants will also compete for incentive funding from a separate reserve designed to reward ambitious, high-impact programs and interventions.

- **Simplicity**
  A more streamlined concept note format and application and review process will reduce the Global Fund’s grant approval timelines.

- **Enhanced engagement**
  The Global Fund will engage in ongoing dialogue with the Country Coordinating Mechanism (CCM), government, implementers, partners, donors, civil society and key affected populations in the lead-up to submission of concept notes.
Five out of the six other early applicants—Kazakhstan, the Philippines, Regional Artemisinin Resistance Initiative, Regional Malaria Elimination Initiative in Mesoamerica and Hispaniola and Eurasian Harm Reduction Network—submitted concept notes to the Technical Review Panel (TRP) for review in the last quarter of 2013. The DRC’s review was scheduled for 2014.

**Board Approved $832 Million in Grant Funding for Interim Applicants**

The interim application phase began in April 2013, when interim applicants were invited to apply for renewal incremental funding on existing grants. Country selection criteria included: (1) eligibility based on a draft version of the new allocation formula that accounts for Gross National Income and disease burden; (2) the potential for program disruption in 2013 and 2014; and (3) the potential to achieve rapid impact and results. The Grant Approvals Committee (GAC) reviewed funding requests from 46 of the 51 interim applicants scheduled for the year and the Global Fund Board approved $832 million in interim funding. By year’s end, the Board had approved $1.45 billion of the $1.9 billion available in transition funding.

**Full Roll-out of the NFM to Begin in March 2014**

The Global Fund Board will meet in Jakarta, Indonesia in early March to make final decisions to allocate the $12 billion raised at the 4th Replenishment Conference to country programs in 2014-2016 and launch full implementation of the NFM. Once the Board approves the Comprehensive Funding Policy (CFP), transition modalities to address legacy grants from the rounds-based system, funding for special initiatives and regional programs, the composition of and allocation amounts to country bands, and the grant extensions policy, standard applicants will be able to submit their concept notes for review.

In anticipation of a high volume of grant requests in 2014, the Fund is planned extensive NFM trainings for grants management teams and CCMs, and began arranging partnership agreements to ensure sufficient technical support for implementing countries during concept note development.

**PSD Contributions to Global Fund Policies and Decisions**

**Corporate Key Performance Indicator (KPI) Framework**

In 2013, the Board set out to review and strengthen the Key Performance Indicator (KPI) framework for evaluating Secretariat performance against strategic and operational goals. The revision process aimed to reduce the overall number of indicators, align the indicators with the Fund’s 2012-2016 strategy, and ensure all indicators were measurable and time-bound. The first draft of the framework was presented during the 29th Board Meeting in June and the final framework was approved with a friendly amendment from the donor bloc at the 30th Board Meeting in November.

Over the course of the months-long consultation process leading up to approval, PSD members were active players in the donor bloc coordination process, driving consultations forward, contributing feedback and aligning support behind the amended decision point. Renuka Gadde (BD) and René Cazetien (Sanofi) joined the initial donor bloc working group in June 2013. Donor Bloc Chair Brian Brink (Anglo American plc) and Focal Point Whitney White, along with the UK-Australia constituency, coordinated bloc-wide electronic consultations and an in-person working group meeting.
with the Secretariat in September, where Ms. Gadde represented the PSD. Board Member Paul Schaper, Alternate Board Member Gadde and other PSD members also played key roles in shaping and reaching consensus on the final amendment, which reflected several constituency priorities, including:

- A clear framework for oversight of each KPI, divided between committees
- A commitment to finalizing outstanding indicators by June 2014
- Inclusion of sex- and age-disaggregated data where feasible and appropriate
- Progress reports to the Board on a twice-yearly basis, at minimum

Private Sector inputs also strengthened specific KPIs, including KPI 2 on Quality and Coverage of Services, KPI 3 on Strategic Service Delivery Targets and KPI 10 on Value for Money.

Assurance and the Office of the Inspector General (OIG)

Early in 2013, the Global Fund Board launched an Ad-Hoc Nominations Committee to oversee the search for a new Inspector General. Led by Jan Paehler (European Commission) and Aida Kurtovic (Bosnia and Herzegovina), the committee conducted an extensive search during the first half of the year and presented a recommendation for the appointment of Martin O’Malley, a former Chief Audit Officer for Standard Bank Group with over 20 years of international audit experience in the financial services sector. The PSD supported the appointment of Mr. O’Malley, who formally took over from interim Inspector General Norbert Hauser in September 2013.

Under Mr. Hauser’s and Mr. O’Malley’s leadership, the OIG saw progress on numerous fronts in 2013. The OIG successfully executed against the audit unit’s 2013 work plan and cleared 85 percent of the backlog of investigations cases, with 100 percent clearance projected by Q1 2014. The Global Fund OIG also continued to work with the Joint Inter-Agency Task Force on theft, diversion and counterfeiting in partnership with USAID and UNDP, filled a critical vacancy with the appointment of Katie Hodson as Director of the Investigations Unit and received external recognition that it had been brought into compliance with International Internal Auditing standards.

NEW GLOBAL FUND APPOINTMENT

MARTIN O’MALLEY, GLOBAL FUND INSPECTOR GENERAL

Mr. O’Malley comes to the position of Inspector General with more than 20 years of audit experience in the financial services sector as well as proven expertise managing large teams that span multiple jurisdictions. Mr. O’Malley has spent the last three years as Group Chief Audit Officer of Standard Bank Group, the largest African banking group, overseeing the Group Internal Audit function with approximately 250 staff. He has worked in 17 African nations that implement grants from the Global Fund, as well as demonstrated particular strength in strategic thinking, developing pragmatic solutions, and working closely with multiple groups of stakeholders. Prior to his 12 years at Standard Bank, Mr. O’Malley spent eight years at Ernst & Young in the U.K. and Australia.

CORPORATE KEY PERFORMANCE INDICATORS (KPIs)

KPI 1 - Performance against strategic goals
KPI 2 - Quality and coverage of services
KPI 3 - Performance against strategic service delivery targets
KPI 4 - Efficiency of Global Fund investment decisions
KPI 5 - Health Systems Strengthening
KPI 6 - Alignment of supported programs with national systems
KPI 7 - Access to funding
KPI 8 - New Funding Model implementation [Temporary KPI]
KPI 9 - Effective operational risk management
KPI 10 - Value for money
KPI 11 - Grant expenses forecast
KPI 12 - Human rights protection
KPI 13 - Resource mobilization
KPI 14 - Domestic financing for HIV/AIDS, TB & Malaria
KPI 15 - Efficiency of grant management operations
KPI 16 - Quality of management & leadership
Finance & Operational Performance Committee (FOPC)
The FOPC held four meetings over the course of 2013. Ann Lion (Abt Associates) represented the Private Sector as a Committee member. The Committee played an important role in guiding year-long, Global Fund-wide priorities, including oversight of the replenishment mechanism and progress towards the launch of the new funding model. FOPC recommended the initial $1.9 billion allocation to fund the 2013-2014 transition, gave important guidance on estimating the Fund's ethical liabilities under the new model and made significant progress on two major decisions expected early in 2014: revisions to the Fund's Comprehensive Funding Policy and the calculation of the initial allocation envelope based on replenishment outcomes.

In addition to responsibilities related to the NFM transition and its impending launch, the FOPC was also responsible for overseeing fiduciary controls, operational performance and the Fund's overall financial health. The FOPC monitored quarterly asset forecasts, budgetary processes for the Operating Expenses budgets, progress against the Secretariat’s Finance Step-Up project to reform internal controls and processes, investment policies, human resources strategies and financial risk management approaches, including reviews of Local Fund Agent (LFA) roles and performance. Ms. Lion was an active Committee member, representing the Private Sector's positions on all major Committee decisions, and acted as a FOPC lead for the Provident Fund, the Global Fund's cash balance retirement scheme for employees and their dependents or beneficiaries.

Procurement & Supply Chain Management
In 2013, the Global Fund launched a new global procurement strategy, “Procurement for Impact,” under the leadership of Chief Procurement Officer Chris Game. The strategy aims to increase efficiency, performance and value for money within the procurement functions by increasing the Fund’s in-house procurement capacity, engaging directly and regularly with manufacturers, optimizing supply chains, leveraging the Fund’s purchasing power and reducing spot procurements.

As a supplier of Long Lasting Insecticidal Nets (LLINs) to the Global Fund, Bayer actively participated in the PSD discussions on Corporate Key Performance Indicators (KPIs), especially KPI 10 – Value for Money. Having an insider’s view of the procurement of malaria related commodities, Bayer and other net manufacturers cautioned the PSD that focusing solely on reducing commodity prices will deny countries the flexibility to choose more expensive nets that might be better suited to their needs. With sustainability of interventions in mind, Bayer stressed that KPI 10 should focus on increasing efficiencies along the entire length of the procurement and supply chain process.
The Fund is also exploring opportunities for joint tenders with other major global procurers. In November, the results of the first such tender were announced: a purchase of 190 million Long Lasting Insecticidal Nets (LLINs) by the end of 2014 by the Global Fund and partners including the U.S. President’s Malaria Initiative (PMI), the UK’s Department for International Development (DfID), UNICEF, Roll Back Malaria Partnership, the Clinton Health Access Initiative (CHAI) and the office of the UN Secretary-General’s Special Envoy for Financing the Health MDGs and for Malaria. Seven manufacturers were awarded contracts under the tender, which represents the largest-ever bulk purchase of LLINs and is expected to save the Fund up to $140 million over two years.

The PSD held two constituency meetings with Mr. Game over the course of 2013, a teleconference at the 29th Board Meeting in June and an in-person meeting at the 30th Board Meeting in November. During these meetings, Mr. Game presented to the PSD updates on procurement strategy, progress and upcoming opportunities for engagement and feedback from the constituency. The PSD and Mr. Game committed to continue regular engagements on a semi-annual basis to ensure close partnership and ongoing exchanges of information on one of the PSD’s priority issues.

Audit & Ethics Committee (AEC)

The AEC held three in-person meetings and four virtual teleconferences over the course of 2013. PSD member Brian Brink (Anglo American plc) served as AEC Vice Chair. Over the course of the year, the Committee guided important decisions related to oversight of the Global Fund’s independent OIG. In the first half of 2013, the AEC was responsible for a number of decisions guiding the selection process for the new Inspector General (IG), including recommending revised terms of reference for the IG and a revised charter for the office, conducting an assessment of potential conflicts of interest among shortlisted candidates for the role and reporting results of the assessment to the Ad-Hoc Nominations Committee. The AEC had ongoing responsibility for oversight of the operations of the OIG under both the interim IG Norbert Hauser and the newly appointed IG.
IG Martin O’Malley, including the approval of the OIG 2013 Audit and Investigations work plans, and monitoring progress and performance against them. In the second half of 2013, the AEC launched a process to constitute the Global Fund Sanctions Panel, culminating in the appointment of three independent members in November 2013.

The AEC also reviewed the preparation, delivery, results and recommendations from the external audit of the 2012 consolidated financial statements, recommending their ultimate approval to the Board in May. The results of the 2012 external audit showed notable improvements in the Global Fund’s internal control systems, its application of International Financial Reporting Standards (IFRS), the quality of 2012 accounting and grant closure processes and its overall conduct during the audit. In August 2013, the AEC recommended that Ernst & Young be renewed as external auditor for the 2013 financial audit.

Revisions to several internal Global Fund policies were approved by the Board after review and recommendation by the AEC, including changes to the declaration of interest form to incorporate additional guidance, definitions and frequently asked questions. Revisions to the whistle-blowing policy were also approved to clarify underlying principles and make them consistent with other Global Fund policies and procedures.

Market Dynamics Advisory Group (MDAG) and Affordable Medicines Facility-malaria (AMFm)
The Market Dynamics Advisory Group (MDAG), an advisory body of the SIIC, continued work on the implementation of the Board-approved Market-Shaping Strategy and the Global Fund’s Procurement for Impact strategy under the NFM. MDAG also provided input into the proposed revisions to the Fund’s Quality Assurance Policy for Diagnostics, emphasizing the importance and

### Anglo American plc

In mid-2013, Brian Brink, Chief Medical Officer at Anglo American plc, completed his fourth term as a PSD Board Representative. In addition to leading the PSD through some of the toughest reforms at the Fund, Dr. Brink also served as Vice-Chair of the Board’s Audit and Ethics Committee, a member of the Board Coordinating Group and as Chair of the Donor Bloc Constituencies. Over the years, he contributed to cementing the role of the private sector to that of a trusted and respected partner and contributor to the Fund. He will remain a member of the delegation moving forward.
complexity of developing an implementation plan and Expert Review Panel to support adherence to the policy. The SIIC will consider revisions in early 2014.

The PSD retained a focus on, and close engagement with, MDAG issues and activities in 2013, especially through regular consultations with MDAG member Ian Boulton (TropMed Pharma). In particular, the PSD advocated for a smooth and responsible transition of the Affordable Medicines Facility-malaria (AMFm), a pilot project hosted by the Global Fund and supported by the MDAG’s AMFm Working Group. The AMFm pilot demonstrated success in improving access to affordable, quality-assured anti-malaria medicines in the private retail sector and, in 2012, the Board approved the evolution of AMFm from an independent business line to an integrated part of the main grant-making apparatus. Throughout 2013, the AMFm working group monitored and advised on the transition, which was managed by the Secretariat’s Procurement Unit, identifying potential service interruptions in pilot countries during the NFM transition and recommending actions to ensure successful integration, such as issuing clear guidance on best practices and key learnings from the pilot.

Tuberculosis
The PSD had a continued focus on tuberculosis, as debates about the design of the NFM, the up-front global disease split, joint concept notes and the needs analysis for the upcoming Replenishment drew increased attention to potential resource gaps in the fight against TB, MDR-/XDR-TB and TB/HIV co-infection. The PSD made forceful interventions during Board meetings to urge the Fund to emphasize the need for joint approaches to TB and HIV/AIDS in countries with high dual burdens, as well as the need for better data to support high impact TB interventions.

The PSD continued developing TB knowledge and expertise during two special sessions on TB and the private sector in advance of the 29th and 30th Board Meetings. In June 2013, Lucica Ditiu, Executive
Secretary of the Stop TB Partnership, joined the PSD pre-Board meeting to present a deep-dive on the global TB burden, resource gaps and biggest challenges and opportunities in the next three years. In November 2013, the Stop TB Partnership and Eli Lilly & Company organized a side session to the PSD pre-Board activities focusing on highest impact interventions in TB care and control, and opportunities for the private sector. The session featured presentations and roundtable discussions with speakers from Stop TB, Lilly’s MDR-TB Partnership, WHO, Interactive Research & Development and PATH.

**PSD Retreat (October, Washington, DC)**

In October 2013, Merck & Co. hosted the 3rd Annual PSD Retreat in Washington, D.C. Representatives from PSD member companies AbbVie, Abt Associates, Anglo American plc, BD, Eli Lilly, Gilead Sciences, Merck, Mylan, Novartis, Sanofi, Vale and Vestergaard attended. The main objective for the retreat was to outline 2014 priorities for the PSD and prepare for upcoming events such as the 4th Voluntary Replenishment and a call for nominations to Global Fund Board Committees.

Attendees had in-depth and wide-ranging discussions of recent and current issues within the Board and PSD, pinpointing areas in which the private sector can add unique value and increase impact. Attendees conducted several rounds of voting and discussion to reach consensus on six priority areas, each of which will be supported by a complementary PSD task force. Three priorities will be directly linked to Board Committees and Advisory Groups, and three will take cross-cutting approaches to identifying opportunities to help shape these issues.

In addition to developing task forces, members agreed on other key 2014 priorities and associated actions, including:

- **PSD Internal Governance Review:** An ad-hoc working group, chaired by Renuka Gadde (BD), will review and recommend revisions to the PSD governance framework over the first half of 2014. Areas of focus will include clarifying nomination and election processes, updating terms of reference for various PSD roles and responsibilities, and outlining the process for operationalizing PSD task forces. In addition to Ms. Gadde, Naz Todini (Abt Associates), Amy Israel (Eli Lilly) and René Cazetien (Sanofi) will form the working group.

- **Partnership with the Global Fund Private Sector Team:** Attendees reviewed a strategy presentation from the Secretariat’s Private Sector Team, which outlined new targeted, industry-specific approaches that would build private sector partnerships involving cash donation and/or use of business expertise to strengthen Global Fund programs. Attendees agreed that regular engagement with the Private Sector Team to ensure alignment and provide constructive feedback into their strategies should be an ongoing priority for the PSD. (See Section 2 for more details on the strategy.)

Other topics of discussion included the launch of the Private Sector Contributions Report, preparations for the 4th Replenishment and a presentation on the FOPC’s work on the CFP by Secretariat Treasurer Sylvie Billion, who joined by phone, and FOPC Vice-Chair John Monahan (USA), who attended in person. (See earlier in Section 1 for more details on the Replenishment.)
Global Fund Corporate Partnerships and Engagement in 2013

In 2013, the Global Fund took important steps to broaden and deepen private sector engagement in its activities, including refining the private sector strategy, hosting events and forums, and introducing innovative approaches to partnership. Existing and new Global Fund corporate partners BHP Billiton, Bill and Melinda Gates Foundation, Chevron, Ecobank, (RED), Tahir Foundation, Takeda Pharmaceutical and Vale, pledged over 600 million for the 4th Replenishment.
GLOBAL FUND’S PRIVATE SECTOR STRATEGY

• Innovation Coalition to Increase Impact and Efficiency
The Innovation Coalition provides a platform for companies to leverage core business expertise to extend the reach, impact and effectiveness of Global Fund grants and operations. Coalition partnerships can include mobilizing funds and identifying innovative solutions to common challenges, such as combating fake medicines, optimizing the supply chain, strengthening oversight and improving treatment adherence.

• Country Business Alliances to Partner with Local and Regional Players
Country business alliances can allow companies to help strengthen and scale-up national programs by mobilizing new technical, human and/or financial resources in regions and countries where they operate. Early focus countries include Mozambique, India, Myanmar, Guatemala and Vietnam, where the Fund hosted a two-day event in October with the public and private sectors to develop opportunities at local, provincial, national and regional levels.

• Industry-specific Approach to Create Shared Value
The Global Fund will also explore industry-specific approaches to drive shared value creation in target industries, such as logistics, food and beverage, pharmaceuticals and healthcare, financial services, information and communications technology. Early success with the extractives industry helped secure Replenishment contributions from two new corporate partners, Vale and BHP Billiton.

PSD Partnership with the Global Fund Private Sector Team

The Secretariat’s Private Sector Team debuted a new strategy for private sector engagement in 2013. The strategy demonstrates an evolution in private sector engagement with the Global Fund, from early governance and cause marketing partnerships to the current framework that emphasizes multi-dimensional private sector partnerships across a variety of Global Fund platforms. These include governance roles, financial contributions, cause marketing initiatives, in-country co-investments, in-kind and pro-bono service provision, market-shaping initiatives and implementation partnerships.

Over the course of 2013, PSD members engaged with the Private Sector Team in various forums, including in-person meetings in Geneva, at the GBCHealth Conference and other major global health events. The PSD also collaborated with the Private Sector Team on a joint briefing session on private sector strategy in the lead-up to the November Global Fund Board Meeting. Paul Schaper and Renuka Gadde joined members of the Private Sector Team for the joint presentation, which highlighted the partnership platforms above, announced the results of the Private Sector Contributions report and detailed real-world examples of the shared value approach to private sector engagement.

2013 Corporate Partnerships with the Global Fund

Chevron Increases Total Global Fund Investment to $60 Million
At the 4th Replenishment Pledging Conference, Chevron Corporation announced that it would commit an additional $5 million over two years to the Global Fund to target the prevention of mother-to-child transmission of (PMTCT) HIV in Nigeria. This new commitment raised Chevron’s 8-year investment in the Fund to $60 million, making the company the largest single private sector partner to the organization.

Chevron became the Global Fund’s inaugural Corporate Champion in January 2008, when it committed $30 million to support HIV/AIDS, TB and malaria programs in Asia and Africa. In 2010, the company made an additional commitment of $25 million to fight HIV/AIDS and support PMTCT in Angola, South Africa, Thailand and Vietnam. To date, Chevron has played a part in saving 8.7 million lives through its support of the Global Fund.

“We recognize the deep interdependence of healthy businesses and healthy societies,” said Rhonda Zygocki, Executive Vice President, Policy and Planning for Chevron Corporation. “Our continued partnership with the Global Fund reflects our long-term commitment to investing in health, education and economic development initiatives that help build strong communities.”
New (RED) Partnerships
In June, (RED) launched a CHOOSE (RED), SAVE LIVES campaign, during which a number of new partnerships were announced and a world record was set for the most Vines created for a single cause within 24 hours. In November, (RED) and two of today’s most innovative designers, Sir Jony Ive and Marc Newson, made history by raising $26.2 million at Jony and Marc’s (RED) Auction at Sotheby’s NY. In December, (RED) honored World AIDS Day by partnering with cities, people, organizations and companies all over the world to cast a global spotlight on the fight to end HIV/AIDS. Together, partners garnered 14 billion public relations impressions, over 907 million social media impressions and 2.8 million YouTube impressions for the World AIDS Day campaign. Finally, the recently released DANCE (RED) SAVE LIVES 2 album hit #1 on the iTunes dance charts in over 40 countries.

Eli Lilly
In December, Eli Lilly and Company helped launch Fight the Fakes, a global public awareness campaign to spread the word about counterfeit medicines. Fake medicines account for up to 10 percent of the world’s pharmaceutical supply, and up to 30 percent in Africa, Asia and Latin America. Fake medicines can harm patients, create drug resistance, undermine national health systems and compromise the Global Fund’s work. The partnership will involve advocacy, data improvement and capacity building to ensure that authentic medicines reach patients in need.

Erin Huntington, Eli Lilly’s VP of International Corporate Affairs, said: “This partnership brings us one step closer to providing every patient around the world with peace of mind about the safety, efficacy and authenticity of their medicines.”

In 2013, several new partners joined the (RED) family to support Global Fund HIV/AIDS programs and interventions in (RED)’s six target countries in Africa. New corporate partners include:

- **Kidrobot**: In partnership with the Keith Haring Studio, Kidrobot has created a line of high design toys and accessories. Five percent of the purchase price of every Kidrobot (PRODUCT)RED Special Edition item goes to the Global Fund.
- **Jonathan Adler**: The decorative home accessories design company is donating 10 percent of the retail price of its (PRODUCT) RED Special Edition Tomato Pop Candle to the Global Fund.
- **Theory**: The fashion label joined forces with (RED) for the holiday season to turn five of its best-selling pieces red, with 25 percent of proceeds going to the Global Fund.
- **HEAD**: Global tennis brand HEAD partnered with (RED) to launch two (PRODUCT)RED Special Edition sport bags with 40 percent of profits going to the Global Fund.
- **Bed, Bath and Beyond**: Bed Bath and Beyond and (RED) teamed up to release a $25 (PRODUCT)RED Gift Card with $1 from each purchase going to the Global Fund.
- **Sir Richard’s Condom Company**: Sir Richard’s has created a (PRODUCT)RED Special Edition Condom 12-Pack with 5 percent of proceeds going to the Global Fund.
- **Live Nation Entertainment**: (RED) welcomed Live Nation Entertainment as a partner, engaging music fans and concert goers worldwide.
Private Sector at Global Fund and GBCHealth Events

Private Sector Reception at Replenishment Preparatory Meeting (April, Brussels)

In early April, ahead of the 4th Replenishment, the Global Fund held a preparatory meeting in Brussels where the Fund’s leadership presented a needs assessment and proposed strategy for the Replenishment. The private sector played a key role in these events, represented by then PSD Board member Dr. Brink, and PSD Focal Point Whitney White. Hosted on April 8 by Andris Piebalgs, European Commissioner for Development and Global Fund ED Mark Dybul, the private sector executive reception sought to identify new companies to engage as donors, co-investors and/or implementing partners. PSD members Anglo American, Eli Lilly, Gilead, Sanofi, Vestergaard Frandsen and ONE/(PRODUCT)RED were in attendance.

Webinar with Mark Dybul, Global Fund Executive Director (April, Virtual Event)

In April, GBCHealth’s most-attended webinar to-date featured Mark Dybul in conversation with Dr. Brink. The virtual meeting provided an opportunity for companies to hear directly from the Fund’s leadership on their 2013 priorities and how the private sector can achieve the greatest impact in the fight against the three diseases. Dr. Dybul acknowledged the crucial role of the private sector in achieving the Global Fund’s mission, emphasizing some of the partnership opportunities available to companies, such as: contributing financial resources to the replenishment; sharing expertise and crucial know-how as partners or members of the Board’s PSD; collaborating on the ground through local affiliates that have valuable in-country knowledge; and advocacy.

Special Session at the 2013 GBCHealth Annual Conference (May, New York City)

The Global Fund took center stage at GBCHealth’s 2013 annual conference, with ED Mark Dybul representing the Fund in a special session and receiving GBCHealth’s 2013 Vision and Impact Award. Preceding the 4th Replenishment pledging event, the conference provided an

Vale

The newest PSD member, Vale, announced its partnership with the Global Fund in December. The Brazilian mining company will contribute $3 million over 2013-2015 to help support malaria programs in Mozambique and Malawi. Vale has been operating a coalmine in Moatize, Mozambique since 2004, and is now developing a port and railroad infrastructure project in the region, which will cross Malawi.

While both Mozambique and Malawi report progress in decreasing malaria prevalence, the disease remains a major cause of illness and death. In Malawi, malaria is responsible for 34 percent of outpatient hospital visits and six million suspected cases are treated annually. As of 2013, the Global Fund was supporting six active malaria grants and had disbursed close to $150 million to fight the spread of the disease in the two countries since 2003.

“We want to contribute for a positive legacy in the regions where we operate through our internal health programs and partnerships, such as the support to the Global Fund,” said Jennifer Hooper, Vale’s Global Director for Health and Safety.
opportunity for Dr. Dybul, Dr. Brink and U.S. Global AIDS Coordinator Ambassador Eric Goosby to present the case for investing in the Global Fund and to challenge companies to support the Replenishment. Elaine Baruwa (Abt Associates) also presented preliminary findings from the PSD-commissioned project to value private sector contributions to the Global Fund. PSD members AbbVie, Abt Associates, Access Bank, Anglo American, Bayer, BD, Chevron, Eli Lilly, Merck, Mylan, Novartis, (RED), Sumitomo Chemical and Vestergaard Frandsen attended as speakers, participants and sponsors. PSD leadership scheduled a private meeting with Dr. Dybul to discuss his vision for the Fund and strategy for engaging the private sector. The then Board Chair Simon Bland and Vice-Chair Mphu Ramatlapeng, and Board leadership from the U.S., Sweden, and Developing Country NGOs also attended.

**Global Fund Business Forum (October, Hanoi)**

The Global Fund hosted a two-day event in Hanoi on October 9-10 bringing together over 70 representatives from across the public and private sectors. Entitled “Strengthening Public-Private Partnership Toward Better Healthcare and Sustainable Development”, the event provided a platform to showcase the Fund’s work in the region and identify opportunities to scale-up Global Fund-supported programs. Representatives from Vietnam’s Ministry of Health, Ministry of Planning and Infrastructure and CCM discussed the many challenges and opportunities facing Vietnam, from economic and health issues to public-private partnerships. One of the key themes was the long-term, sustainable value that would be generated by investment in the health of Vietnam’s consumer and labor force. Partners will continue to work together to bring identified opportunities to fruition in 2014.

*THE SINGLE MOST IMPORTANT THING TO ACCOMPLISH THE MDGs? REPLENISHMENT OF THE GLOBAL FUND.*

Raymond Chambers, The U.N. Secretary-General’s Special Envoy for Financing the Health Millennium Development Goals and for Malaria, speaking at 2013 GBCHealth Conference

*THE PRIVATE SECTOR HAS A VOICE NOT ONLY TO PUSH DONOR COUNTRIES’ CONTRIBUTIONS TO THE FUND, BUT, MORE IMPORTANTLY, TO INCREASE THEIR DOMESTIC CONTRIBUTIONS TO FIGHT HIV/AIDS, TB AND MALARIA.*

Mark Dybul, Global Fund Executive Director, speaking at 2013 GBCHealth webinar
Private Sector Board and Alternate Board Members

Newly-elected Board Member Paul Schaper is the Executive Director for Global Public Policy at Merck/MSD, where he is responsible for global health policy issues in infectious disease, non-communicable disease and reproductive health. In previous positions at Merck, he worked at the Vaccine Division on Merck’s HIV and HPV vaccine programs. Mr. Schaper has also worked at Abbott International as the Director for HIV External Affairs and for the New York City Department of Health in HIV prevention. He earned a BA in English literature from Emory University and has masters degrees in clinical psychology from Georgia State University and in public health policy and business administration from Emory.
ALAFA

ALAFA’s focus in 2013 emphasized building sustainability through partnerships. Relationships with both the private sector (specifically the Lesotho apparel industry) and the public sector (the Government of Lesotho) were strategically strengthened to secure the future of health programming in the country. ALAFA began implementing multiple grants through the Global Fund and joined the PSD. “Participating in the PSD brings to ALAFA a broader understanding of the role the private sector plays in the fight against HIV/AIDS, TB and malaria, and as an implementing public-private partnership we believe ALAFA contributes a unique viewpoint to the delegation,” said Donna Bawden, ALAFA’s representative on the PSD.

GBCHealth Re-elected PSD Focal Point

In early 2013, Ms. Gadde, led a sub-committee of Advisory Group members to select a Focal Point for a new term. The sub-committee invited four organizations, including GBCHealth, to submit expressions of interest to fill the Focal Point role. After an in-depth review process and interviews with each candidate, GBCHealth was re-appointed to a third three-year term as Focal Point that began in July.

Whitney White, the Interim Focal Point since mid-2012, continued in the role in the new term, with support from Svetlana Kouzmina, Manager, and Fareeda Ehtesham, Coordinator. Ms. White oversees PSD activities and is the primary point of contact with PSD leadership, Advisory Group members, Global Fund Board constituencies and the Secretariat. Ms. Kouzmina and Ms. Ehtesham ensure effective coordination of the PSD’s day-to-day operations, including in-person and virtual events, Global Fund partnership activities and related communications to broaden private sector contribution to the Fund’s work.

PSD Governance

In early 2013, the PSD conducted a targeted review of sections of the governance guidelines related to the election of Board and Alternate Board Members and appointment of the Focal Point, in preparation for term changes in June 2013. During the review, the PSD adopted an extension of the Focal Point’s term length from two years to three and recommended staggering the selection processes for the Focal Point and the Board Member and Alternate.

The review helped ensure smooth election and appointment processes in the first and second quarters of 2013 and laid the foundation for the launch of a wider-ranging internal governance review at the PSD Annual Retreat in October. Ms. Gadde will lead an ad-hoc working group

GBCHEALTH IS EAGER TO CONTINUE IN THIS IMPORTANT ROLE FACILITATING COMPANIES’ ENGAGEMENT IN THE GLOBAL FUND’S GOVERNANCE PROCESSES AND LIFESAVING EFFORTS AROUND THE WORLD.

Michael Schreiber, Executive Director, GBCHealth.
including Naz Todini (Abt Associates), Amy Israel (Eli Lilly and Company), and René Cazetien (Sanofi) that will present recommendations for revisions to various areas of the governance processes by the time of the PSD’s second quarterly call in 2014. Areas of focus will include:

- Nomination process for PSD representatives to Board Committees
- Terms of Reference for Advisory Group members, Affiliate members, the Focal Point, Board and Committee representatives
- PSD task force structures to support 2014 priorities
- Declaration of interest policies
- Process for selecting Board delegations

**New PSD Members**

The PSD welcomed new members Apparel Lesotho Alliance to Fight AIDS (ALAFA) and Vale in 2013. PSD’s first Affiliate member, ALAFA joined the group in January. ALAFA was formed as a public-private partnership between the apparel industry and the government of Lesotho to combat the detrimental effects of HIV/AIDS. ALAFA’s unique healthcare model has been shown to reduce absenteeism and increase factory productivity. ALAFA is represented on the PSD by Donna Bawden, Health Development Consultant.

Vale, one of the world’s largest metals and mining companies, joined the PSD in December 2013. Headquartered in Brazil, Vale is a major producer of iron ore and the second largest producer of nickel in the world. The first Latin American company to collaborate with the Global Fund, Vale will contribute $3 million to the Fund over 2013-2015 to support malaria programs in Mozambique and Malawi. Vale is represented on the PSD by Carla Decotelli and Heloisa Jardim, Global Health Corporate General Manager and Global Health Corporate Analyst, respectively, Health & Safety Department.

<table>
<thead>
<tr>
<th>2013 PRIVATE SECTOR ADVISORY GROUP MEMBERS*</th>
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<tbody>
<tr>
<td>1. AbbVie</td>
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<tr>
<td>2. Abt Associates</td>
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<td>3. Access Bank</td>
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<td>4. Anglo American plc</td>
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<td>5. Bayer</td>
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<td>6. BD</td>
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<td>7. Chevron</td>
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<td>8. Eli Lilly</td>
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<tr>
<td>9. Gilead Sciences Inc.</td>
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<tr>
<td>10. Merck</td>
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<tr>
<td>11. Mylan</td>
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<tr>
<td>12. Novartis</td>
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<tr>
<td>13. (PRODUCT)RED</td>
</tr>
<tr>
<td>14. SABMiller</td>
</tr>
<tr>
<td>15. Sanofi</td>
</tr>
<tr>
<td>16. Sumitomo Chemical</td>
</tr>
<tr>
<td>17. Vale</td>
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<tr>
<td>18. Vestergaard Frandsen</td>
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</tbody>
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<table>
<thead>
<tr>
<th>2013 PRIVATE SECTOR AFFILIATE MEMBERS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ALAFA</td>
</tr>
</tbody>
</table>

* All PSD Advisory Group and Affiliate members agreed to and signed an annual declaration of interest declaration

**Novartis**

In September 2013, Novartis joined Power of One (Po1), a global awareness and fundraising campaign to help eliminate malaria deaths. By means of online and mobile technology, Po1 enables people around the world to donate as little as one dollar to provide a life-saving test and treatment for a child in Africa. As the exclusive treatment partner, Novartis will donate up to three million full courses of Coartem® Dispersible, its pediatric antimalarial, to match antimalarials funded by the public and thereby double the impact of public donations. A longstanding leader in malaria control and elimination, Novartis has delivered 200 million pediatric antimalarial treatments without profit to malaria-endemic countries since 2009.

**Access Bank**

In April, Access Bank and Friends of the Global Fund Africa hosted a high-level stakeholder engagement forum in Abuja entitled “Sustainable Health Financing In Nigeria”. One of Africa’s leading banks, Access Bank is at the forefront of mobilizing African governments, the private sector and civil society to play an active part in solving the continent’s health challenges. A guest speaker at the Forum, Global Fund ED Mark Dybul commended Access Bank and Friends Africa for their commitment and almost $10 billion investment in grants to combat HIV/AIDS, TB and malaria on the continent.
SECTION 4

2014 Private Sector Delegation
Seven-Point Agenda

Over the course of 2013 and particularly during the October Annual Retreat, the PSD built momentum and defined strategic priorities for the coming year to ensure constructive input into Global Fund Board deliberations, strong partnerships with other Global Fund stakeholders and a targeted focus on areas where the private sector has a unique perspective and opportunity to achieve impact.
1. Strong Voice in Board Committees; Partnership with Private Foundations
The Private Sector will nominate Naz Todini (Abt Associates) as a PSD representative to the Finance and Operational Performance Committee (FOPC), ensuring strong PSD input into the Committee’s work including annual budgets, oversight of Corporate Key Performance Indicators (KPIs), revisions to the Comprehensive Funding Policy (CFP), Global Fund investments, human resources, financial risk management policies and affiliated issues. The PSD will also launch a structured partnership arrangement with the Private Foundations constituency to promote regular discussions around all committee meetings, Board meetings and other major decisions, and enable collaborative strategic planning to identify areas for joint work.

2. Engagement with the Secretariat’s Private Sector Team
Building on past collaboration, including the Board briefing session in November, the PSD will seek ongoing engagement with the Secretariat’s private sector team, working together to continue strengthening opportunities for private sector partnership both directly with the Fund and through the Board. The launch of the new funding model brings new possibilities to utilize business acumen and private sector assets to provide innovative solutions at various levels of the Global Fund’s operations, while ongoing private sector resource mobilization activities will further increase impact and return on investment.

3. Health-Systems Strengthening and Supply Chain
With the launch of the new funding model, Global Fund policies on health- and community-systems strengthening, linkages to maternal and child health platforms and development-based approaches are likely to be revisited and reviewed. Supported by a dedicated task force, the PSD will emphasize

Merck
Merck, known as MSD outside the United States and Canada, continued its longstanding participation in and support for the Global Fund Private Sector Delegation in 2013. The PSD selected Paul Schaper, Executive Director, Global Public Policy, to replace Brian Brink as PSD Board Representative. Merck has actively engaged with the PSD since its founding as part of the company’s longstanding commitment to HIV/AIDS.

Sanofi
In April, Sanofi launched large-scale production of semi-synthetic artemisinin for malaria treatment at its Garessio location in Italy. The company plans to produce 35 tons of artemisinin in 2013— and up to 60 tons a year by 2014—on a no-profit, no-loss basis, helping to maintain a low price for developing countries. Because the natural supply of artemisinin is inconsistent, expanded production of a partially synthetic version of the compound will help ensure more consistent availability of ACTs.

AbbVie
In advance of World AIDS Day 2013, AbbVie announced the launch of See Us: Women Take a Stand on HIV, an international awareness campaign that seeks to address the unique challenges faced by women living with HIV/AIDS, create a supportive community and empower them to advocate for their own needs. In collaboration with the campaign’s expert steering committee, AbbVie will develop an informational tool for women living with HIV/AIDS. Women living with and affected by HIV/AIDS will join and play an active role on the steering committee, together with the medical community, the International Association of Providers in AIDS Care and NAM/aidsmap.

The PSD brings a unique results-oriented perspective to the Board that is well positioned to bridge the positions of donors, implementers, and civil society. The PSD will continue to be a results-driven, patient-centered advocate for effective management to increase access to prevention, care and treatment across the three diseases.

Paul Schaper, Executive Director, Global Public Policy, Merck/MSD and Board Member, Global Fund
opportunities for the private sector to bring added value to in-country partnerships by strengthening health systems platforms, optimizing local supply chains and building capacity for long-term, sustainable solutions.

4. Procurement, Quality Assurance and Market Dynamics
Under the leadership of Chief Procurement Officer Chris Game, the Global Fund’s Procurement for Impact strategy led to impressive gains in 2013. The PSD will ensure a continued focus on building transparent, effective and forward-thinking solutions to increase value for money, protect quality, and fuel innovation. The PSD’s new task force on procurement and quality assurance, together with ongoing engagement in the activities of the Market Dynamics Advisory Group, will ensure that the private sector continues to have a strong voice in deliberations about global procurement, country ownership, market efficiency and sustainability.

5. Private Sector Initiatives and Regional Approaches
The private sector plays an important role in many Global Fund countries as a provider of health care services. Leveraging private sector networks and private sector-oriented solutions can improve service access and quality, while ensuring a multi-sector approach to solving the wide-reaching challenges of the HIV/AIDS, tuberculosis and malaria epidemics. In 2014, the PSD will seek to build on strong foundations and relationships with Global Fund technical partners, Advisory Group members, the Secretariat and fellow Board stakeholders to ensure that country-specific and regional approaches incorporate appropriate high-impact private sector and cross-sector interventions.

6. Robust Internal Governance Procedures
The PSD will undertake a comprehensive review of internal governance guidelines and processes in the first half of 2014, led by an ad-hoc working group chaired by Alternate Board Member Renuka Gadde (BD). Such periodic reviews are designed to ensure the governance guidelines remain relevant to evolving PSD priorities. Areas under review include: operationalizing PSD task forces; setting guidelines for PSD nomination and election processes for Board and Committee representatives; strengthening terms of reference for PSD roles, such as the Focal Point, Board and Alternate Board Member, Advisory Group and Affiliate Members and PSD consultants; aligning PSD conflict of interest policies with Board declaration of interest policies; and reviewing processes for selecting Board delegations and new PSD members.

7. Diverse and Engaged Membership
In 2014, the PSD will remain committed to growing and diversifying the membership of the Advisory Group. Targeted engagement of existing Global Fund corporate partners and of companies with strategic alignment from underrepresented industries and geographies will be focus areas for new membership. In addition, the development of the new task force structure to support refinement of PSD positions and approaches on priority areas provides new opportunities for companies to target their engagement to topics, issues and activities of most value to their individual corporate strategies while strengthening the expertise and voice of the PSD collectively.
**ANNEX 1**

**THE GLOBAL FUND’S STRATEGY FRAMEWORK GF STRATEGY 2012-2016 “INVESTING FOR IMPACT”**

<table>
<thead>
<tr>
<th>Vision</th>
<th>A world free of the burden of HIV/AIDS, tuberculosis and malaria with better health for all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission</td>
<td>To attract, manage and disburse additional resources to make a sustainable and significant contribution in the fight against HIV/AIDS, tuberculosis and malaria in countries in need, and contributing to poverty reduction as part of the MDGs</td>
</tr>
</tbody>
</table>
| 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 saved¹ over 2012-2016  
140-180 million new infections prevented over 2012-2016 |

<table>
<thead>
<tr>
<th>Targets² (2016)</th>
<th>Global plan</th>
<th>Global Fund leading targets for 2016</th>
<th>Indicators for other selected services</th>
</tr>
</thead>
</table>
• HIV testing and counseling  
• Prevention services for MARPs  
• Male circumcision |
| TB | Global Plan to Stop TB 2011-2015 | 4.6 million DOTS treatments (annual)  
21 million DOTS treatments over 2012-2016 | • HIV co-infected TB patients enrolled on ARTs  
• MDR-TB treatments |
| Malaria | RBM Global Malaria Action Plan 2008 and May 2011 updated goals and targets | 90 million LLINs distributed (annual)  
390 million LLINs distributed over 2012-2016 | • Houses sprayed with IRS  
• Diagnoses with RDTs  
• Courses of ACT administered to confirmed malaria cases |

¹ Based on impact of provision of ART, DOTS and LLINs using methodology agreed with partners.  
² Targets refer to service levels to be achieved in low- and middle-income countries.

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.

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**Strategic Objectives**

<table>
<thead>
<tr>
<th>Strategic Objectives</th>
<th>Strategic Actions</th>
</tr>
</thead>
</table>
| 1. Invest more strategically | 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

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## ANNEX 2
THE GLOBAL FUND’S 4TH VOLUNTARY REPLENISHMENT PLEDGES (2014-2016)

<table>
<thead>
<tr>
<th>Donor Governments</th>
<th>(US$, millions)</th>
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<tbody>
<tr>
<td>Australia</td>
<td>182.2</td>
</tr>
<tr>
<td>Belgium</td>
<td>51.6</td>
</tr>
<tr>
<td>Canada</td>
<td>612.3</td>
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<tr>
<td>China</td>
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<tr>
<td>Denmark</td>
<td>90.2</td>
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<tr>
<td>European Commission</td>
<td>502.9</td>
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<tr>
<td>France</td>
<td>1,467.8</td>
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<tr>
<td>Germany</td>
<td>815.4</td>
</tr>
<tr>
<td>India</td>
<td>13.5</td>
</tr>
<tr>
<td>Ireland</td>
<td>40.8</td>
</tr>
<tr>
<td>Italy</td>
<td>135.9</td>
</tr>
<tr>
<td>Japan</td>
<td>800.0</td>
</tr>
<tr>
<td>Kenya</td>
<td>2.0</td>
</tr>
<tr>
<td>Korea (ROK)</td>
<td>12.0</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1.5</td>
</tr>
<tr>
<td>Liechtenstein</td>
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<tr>
<td>Luxembourg</td>
<td>10.2</td>
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<tr>
<td>Malawi</td>
<td>0.5</td>
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<tr>
<td>Netherlands</td>
<td>251.4</td>
</tr>
<tr>
<td>Nigeria</td>
<td>30.0</td>
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<tr>
<td>Norway</td>
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<td>Saudi Arabia</td>
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<td>Sweden</td>
<td>380.8</td>
</tr>
<tr>
<td>Thailand</td>
<td>4.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,636.9</td>
</tr>
<tr>
<td>United States of America</td>
<td>4,002.3</td>
</tr>
<tr>
<td>Cote d’Ivoire (Debt-to-Health, Germany)</td>
<td>6.4</td>
</tr>
<tr>
<td>Indonesia (Debt-to-Health, Australia)</td>
<td>4.7</td>
</tr>
<tr>
<td>Indonesia (Debt-to-Health, Germany)</td>
<td>5.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Private Sector Donors</th>
<th>(US$, millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Billiton</td>
<td>10.0</td>
</tr>
<tr>
<td>Bill &amp; Melinda Gates Foundation</td>
<td>500</td>
</tr>
<tr>
<td>Chevron</td>
<td>5.0</td>
</tr>
<tr>
<td>Ecobank</td>
<td>3.0</td>
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<tr>
<td>(RED)</td>
<td>40.0</td>
</tr>
<tr>
<td>Tahir Foundation</td>
<td>39.0</td>
</tr>
<tr>
<td>Takeda Pharmaceutical</td>
<td>3.0</td>
</tr>
<tr>
<td>United Methodist Church</td>
<td>19.9</td>
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<tr>
<td>Vale</td>
<td>3.0</td>
</tr>
<tr>
<td>Other</td>
<td>5.0</td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT** 12,006.9
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.

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

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: _______________________________
2014 PSD CALENDAR

February 12
Quarterly PSD Teleconference

March 3
PSD Pre-Board Meeting (Jakarta, Indonesia)

March 5
Global Fund Pre-Board Briefings (Jakarta, Indonesia)

March 6-7
31st Global Fund Board Meeting (Jakarta, Indonesia)

May 12
Quarterly PSD Teleconference

Week of July 7
Quarterly PSD Teleconference

September TBD
Annual PSD Retreat (Location TBD)

Week of October 6
Quarterly PSD Teleconference

Q4 TBD
Global Fund Board Retreat (Location TBD)

December 2
PSD Pre-Board Meeting (Geneva, Switzerland)

December 3
Global Fund Pre-Board Briefings (Geneva, Indonesia)

December 4-5
Global Fund 32nd Board Meetings (Geneva, Switzerland)

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