

The Global Fund to Fight AIDS, Tuberculosis and Malaria

Geneva, 28-29 January 2002

Minutes

The first meeting of the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria took place at the International Conference Center in Geneva, 28-29 January 2002. The participants are listed in Annex I.

Opening and Adoption of the Agenda

Dr. Anders Nordström, Vice Chair of the Oversight Committee and President of the Initial Directors of the Global Fund Foundation, called the meeting to order and welcomed comments on the agenda. The agenda was adopted as amended.

By-Laws

Mr. Willis Ritter, Legal Adviser to the Oversight Committee, presented a summary of the Initial By-Laws. Following discussion, a sub-working group was formed to review the By-Laws and make further recommendations to amend them accordingly. It was confirmed that, under Swiss law, permanent Board members could change the By-Laws.

Appointment of Permanent Board Members

Dr. Nordström introduced the voting and non-voting members of the Board identified on Annex I. He noted that although the United States of America had not yet formally designated a Board Director for its voting seat, its delegation was present, and welcome as representatives to the Board.

Chair for the Meeting

Dr. Chrispus Kiyonga of Uganda was elected to preside over the meeting until the first Chair of the Board was elected.

Resignation of Initial Board Members

In accordance with the procedures outlined in the By-Laws, Dr. Nordström, Mr. Ehmer and Mr. Tavernier resigned their responsibilities as the Initial Foundation Board, and Dr. Kiyonga assumed the Chair.

Rapporteur for the Meeting

Dr. Helene Gayle of the Bill and Melinda Gates Foundation was named Rapporteur for the meeting.

Report of the Oversight Committee

Dr. Nordström presented a brief report of the Oversight Committee (document 3a), noting the activities since the TWG meeting in December, including establishment of the Fund as a legal entity in Switzerland, beginning negotiations on the Trustee Agreement with the World Bank and an Administrative Services Agreement with WHO.

The Framework Document

Mr. Ritter made a brief presentation of the Framework Document, noting that it represented final decisions and official documents adopted by the TWG. It was agreed that the Framework Document could be used as a basic guide or point of reference for the Fund, and could be approved at the next Board meeting after further editing and harmonization with related documents.

Board Operating Procedures

Mr. Ritter introduced the paper on Board Operating Procedures, and highlighted some of the issues raised in the document - the make up and size of delegations to the Board, and the languages to be used for Board business. Comments and discussion on the Operating Procedures were referred to the sub group on the By-Laws.

Guidelines for Proposals and Call For Proposals

The Executive Secretary of the Global Alliance for Vaccines and Immunization, Dr. Tore Godal, presented the document on Guidelines for Proposals (document 6). Several delegations objected to establishment of a Policy Committee of the Board, which was therefore dropped

After discussion and commentary on the drafts, the Chair instructed the Secretariat to submit revised texts of both the Guidelines for Proposals and the Call for Proposals the following day, taking account of the comments, suggestions, and proposals made. It was so decided.

Quick Start

The Quick Start paper was presented by the delegate from Canada. The Chair pointed out that the principles reflected in the paper had already been built into the Guidelines and Call for Proposals documents, and should be included in revised versions of these two documents that would be presented to the Board for adoption later in the meeting. It was so decided.

Special Announcement

The Secretary for Health and Human Services of the United States of America addressed the meeting via video link. He encouraged the Board in its work, and announced that his government had pledged a further US\$200 million to the Global Fund. The Chair noted this announcement with great satisfaction, and thanked the Secretary on behalf of the Global Fund for this good news.

Statement by the Health Minister of France

The Health Minister of France spoke on behalf of his own and three other European countries. He said that AIDS was the highest priority among the three diseases tackled by the Fund, and

that there should be no false dilemma over treatment or prevention. Equality would not be achieved immediately, but it should not be said that treatment of AIDS was too expensive: investment in health brought human and economic benefits. Health systems in developing countries had to be improved so that the courses of treatment could be administered.

Terms of Reference for the Technical Review Panel

Dr. Tangcharoensathien of Thailand, co-chair of the working group on technical review, presented the Terms of Reference paper. He described the comprehensive and participatory process followed by the group in preparing the document, which included one face-to-face meeting, and a number of teleconferences. He indicated that the group had reached consensus on all issues of major importance.

Following discussion, the Chair indicated that all comments had been duly noted by the Secretariat, and that a revised version of the paper incorporating the agreed changes would be prepared and used as a basis for initiating the selection process for the Technical Review Panel. It was so decided.

Communication

Ms. Leyla Alaynak presented the paper on Communications. The Board expressed a strong interest in the communication issues, but expressed some reservations over the proposal of a public relations firm be retained for a year. It was agreed that the focus on media needed to be complemented with focus on communication with countries and partners.

Report on Outcome-based Disbursement

The delegate of Canada highlighted that one of the main conclusions of the TWG was to focus on performance by linking resources to the achievement of clear, measurable, and sustainable results. The paper was an attempt to agree on the main principles and not to examine every detail of how such a system would work.

Working Group on Monitoring

The Board was invited to approve the establishment of a working group that would develop a proposal for a monitoring and evaluation strategy as well as a program of work. The Chair summarized the subsequent extensive discussion by noting that the Board was in favor of establishing a working group that would combine the issues of result-based disbursement and monitoring and evaluation. This working group should report to the next Board meeting.

Guidelines for Proposals / Call for Proposals (continued)

Revised versions of each document, reflecting the previous day's discussion, were available for Board members to consider. Comments had been taken into consideration and the Framework Document had been used as a point of reference. Delegates were invited to bring any omissions to the attention of the Secretariat.

The Chair noted that the Guidelines and Call for Proposals documents needed to be finalized by the end of the Board meeting. He noted that all amendments suggested during the discussion would be incorporated, and a final version available to all Board members by the end of the meeting. It was so decided.

Trust Agreement with the World Bank

Mr. Ritter introduced the draft Trust Agreement between the Fund and the World Bank. The basic principles are that donor funds would be held in trust, that the Fund would retain principal responsibility for program accountability, and that the Trustee would be principally responsible for financial accountability. Negotiations will continue for a more detailed agreement to be presented for Board consideration at the April meeting.

In the interim, the World Bank delegate recommended that the Trust Agreement be developed in two phases. The World Bank would quickly draft a short, simple agreement for phase one. The Chair would be authorized to sign the phase one agreement after the draft had been circulated to all Board members for approval. It was so decided.

Administrative Service Agreement with WHO

Dr. Nordström noted that while the text of the Agreement had been drafted and discussed in some details, the costs for services were still to be defined. The issue of hiring and firing personnel and privileges of staff remained at the forefront of concerns. The Board was reminded that efforts should be continued to explore development of the Fund into a quasi-intergovernmental structure.

WHO clarified the rules of the UN system and how staff of the Fund would receive the same privileges, which would be particularly important when traveling to third countries. The tone of the clarification was very much appreciated and it was suggested that WHO prepare a letter in that regard. WHO agreed that it was indeed possible and appropriate.

The Chair noted that further discussions would be required between the Fund and WHO. Board members would be kept informed. It was suggested that the Secretariat and the Chair and Vice Chair establish interim arrangements so that support from WHO would continue. It was so decided.

By-Laws and Board Operating Procedures (continued)

The ad hoc working group, representing eleven delegations, presented its work through the Legal Adviser. Many editorial amendments had been made to the By-Laws, but few substantive changes. The By-Laws and the Board Operating Procedures, as amended by the ad hoc working group, were adopted.

Process for the Establishment of the Secretariat and Recruitment of the Executive Secretary

The item was presented by Dr. Nordström. After general discussion and comment the Chair noted that the Board approved the process set out in the paper for establishment of the Permanent Secretariat and recruitment of the Executive Director (this term was preferred to Executive Secretary). The Board noted that the Swiss government was contributing US\$600,000 for establishment of the Secretariat in Geneva.

Financial Statement on the Resources of the Fund

Dr. Nordström asked members to confirm pledges, time periods, currency and other details, so that details of the actual funds available for disbursement during the first year of operation could be finalized.

Election of the Chair and Vice Chair

The Rapporteur took the chair to introduce the election.

The delegation of Brazil proposed Dr. Chrispus Kiyonga of Uganda as Chair. The NGO (Developed country) delegation and the United States of America seconded the nomination. Dr. Kiyonga was elected Chair by acclamation, and resumed the chair.

The delegation of the United States of America nominated Mr. Seiji Morimoto of Japan for the post of Vice Chair. The Gates Foundation, Thailand and China each seconded that nomination, and Mr. Morimoto was elected Vice Chair by acclamation.

Financial Statement on the Secretariat's Resources

Mr. Ehmer thanked the United Kingdom for a contribution that had enabled all three meetings of the Transitional Working Group to take place. Formal thanks were expressed to the contributors listed in the document.

Interim Secretariat Arrangements

Mr. Martin Taylor of the TSS staff clarified that interim appointments did not prejudice longer-term arrangements.

The Delegation of the United Kingdom proposed that Dr. Anders Nordström serve as Interim Executive Director of the Interim Secretariat. That proposal was seconded by the delegation of Sweden and by the delegation of the Private Sector. It was explained that the Interim Executive Director would not be eligible to stand for the post of permanent Executive Director. Dr. Nordström was therefore appointed Interim Executive Director. The budget for the Interim Secretariat was also approved.

Committees

A number of delegations expressed their desires to participate in one or more committees, which requests were duly noted. A separate working group on business processes was requested, and the Interim Executive Director took note. The document was approved with amendments.

Date of the Next Meeting and Launch of the Fund

Mr. Ehmer presented a proposal that the next meeting of the Board take place in or around New York City, possibly on 23-24 April. The venue and date for the meeting were approved. The Chair announced that the Secretary General of the United Nations might be available to participate in portions of the April Board meeting.

Adjournment

The Chair thanked the Board members, the Technical Support Secretariat, the Director-General of WHO and the Executive Director of UNAIDS for providing staff support. Furthermore, he noted the work that lies ahead and the importance of communication in the weeks to come, and adjourned the meeting.