

NSWP – QUARTERLY REPORT TO MEMBERS ON GLOBAL FUND ISSUES

The NSWP Senior Programme Officer, Mick Matthews, is a member of the Communities Delegation to the Global Fund Board, which receives regular updates on Global Fund Board Committee meetings. Key issues discussed in recent meetings are summarised below.

Strategy Committee

The Communities Delegation is particularly focussed on four main issues:

1. Allocation Methodology

The ongoing review of the Global Fund allocation methodology was discussed in terms of implications and parameters but no decisions were made.

Key Populations: The Global Fund allocation formula includes a key population adjustment factor. Once an initial country allocation is determined, ‘qualitative adjustments’ are made that include the key population adjustment. A proposal for adjustments was presented and there is still an opportunity to suggest improvements, including how and to who the additional money should be allocated. The Communities Delegation would welcome input on this, particularly around ideas to improve impact where there is greater disease burden among Key Populations. [More information on the Allocation Methodology can be found here.](#)

Catalytic Investment: There was a discussion on the impact of catalytic investment and whether it is working and if the list of priorities is too large. NSWP has consistently argued that there are too many priorities for Catalytic Investment to have any real impact, and other constituencies are now recognising this as well. There is an opportunity to suggest how the list of priorities can be reduced and criteria to be used in selecting priorities. Again, the Communities Delegation would welcome your input on this.

Disease Split: There was a strong call to increase the allocation for TB, but this would mean reducing the HIV allocation. No decision was reached and the next Committee will discuss maintaining/changing the disease split allocation when it has more evidence to consider.

2. Funding Countries in Crisis

\$5 million has been allocated to Venezuela as a one-off payment for this year, given the acute economic and social problems facing the country which has seriously jeopardised continuation of HIV and TB treatment. The Committee discussed how the decision to allocate this amount was reached, and the rationale given was that other countries may also be in crisis and need this type of support. This has become an issue because it is not standard practice for the Global Fund to provide this type of one-off support. Donors said they would look at what the Global Fund Secretariat is doing before committing more. The decision will be reviewed in September.

3. Risk Appetite

The Committee discussed whether or not there should be a ‘risk appetite’ across all areas of the Global Fund work. There was no conclusion, however, it was agreed that there will not be a ‘risk appetite’ during ‘transition’ as ‘risk appetite’ should be constant throughout the grant. However, there was no agreement on ‘risk appetite’ around sustainability or human rights.

4. CCM Evolution –The last update outlined the proposed changes to Country Coordinating Mechanisms (CCMs), which were adopted at the May board meeting and will now be piloted. The Committee discussed concerns about which countries would pilot the new system, the Global Fund Secretariat informed the Committee that a list of countries had been identified, and they are waiting on the CCMs responding to being part of the pilot, however, the list does not include Regional CCMs. The Committee also discussed

continuity beyond the pilot phase and where the money would come from to implement the changes. Most donors support taking funding out of Catalytic Investment to support the CCM Evolution, something the Communities Delegation strongly opposes. The Communities Delegation does not consider funding to be the priority solution, and argues for greater recognition of the expertise and contribution of communities who sit on the CCMs, but others fail to see that as a priority.

Audit and Finance Committee

Most of the discussions at this Committee related to the Replenishment. At present, it remains unclear what the United States will decide, and it is expected that there are other countries whose contributions will remain static, so this replenishment could be a difficult one for the Global Fund. The Committee agreed that the investment case, (this is the document the Global Fund uses to justify to Donors the amount being requested at the replenishment) should be demand-driven. They also discussed the CCM Evolution and noted the donors' position regarding re-allocating funding from Catalytic Investments. The Committee also considered staff salaries and concerns that these are too high, and agreed to form a remuneration working group, with a Chair, Vice Chair and representations from Private Foundations and South East Asia.

Ethics and Governance Committee

The Committee discussed strengthening the processes for selecting an incoming Chair and Vice Chair of the Board, which is important as these roles will oversee future discussions about Board composition and voting. Some constituencies would like to see changes to the voting system, which will potentially reduce the Communities Delegation's potential to influence Board decisions. The Committee also considered strengthening the Committee membership selection process, specifically around due diligence related to selection.

The Committee includes a representative from the civil society delegations, which is currently being selected; the three civil society delegations have submitted names for consideration and the Board leadership will make a decision shortly.

Finally, the Communities Delegation continued to push for the adoption of the Ethical Framework for Decision Making within the Global Fund. Although this was discussed during the meeting, the Committee did not make a decision on this despite it having the mandate to make such a decision.

This is just a brief overview of current discussions in the Global Fund governance bodies.

If you have any comments on any of the issues raised above or need more information on a specific issue before you comment, please contact Mick at mick.matthews@nswp.org, he will respond and ensure your comments are raised within the Communities Delegation.