

---

**EECA CONSTITUENCY MEETING**  
**Istanbul, 4 July 2014**  
**MEETING MINUTES**

**Venue:**

Premises of Avantgarde Taksim Hotel, Istanbul, Turkey

**Participants:**

19 delegates (See attached list),

Natalia Dmitrieva – Translator

Tarik Prašo – Administrative assistant, Partnerships in Health

**Agenda:**

See attached document

**Discussion and conclusions:**

Meeting started at 9:00.

Welcome speech was made by Mrs. Sandra Elisabeth Roelofs, Board member, and Mr. Mišo Pejković, Alternate board member, who greeted all the EECA Constituency members and invited them to take active role and be contributive in the forthcoming meeting. Mr. Archil Talakvadze was excused from the meeting due to urgent developments in his native Ministry, so he wasn't able to arrive to Istanbul on time.

EECA Members and representation: FOPC Update

Mr. Soltan Mammadov, chair of Finance and Operation Performance Committee (FOPC), addressed participants and presented recent development in work of FOPC. Mr. Mammadov stated that at the previous FOPC meeting held in June 2014, they had 2 joint sessions with SIIC, AEC and FOPC where they received comprehensive presentation about NFM. There was a notice in trend of increasing funding allocations to countries with less willingness to pay and highest disease burden, which is a main objective of GF strategy. There was also talk of challenges of roll out of NFM. Next update of the NFM will be in FOPC meeting in September.

He once again explained different roles of FOPC, among which is the oversight of operational performance of the Secretariat, including Finance oversight (budget vs actual spending rate) as well as providing oversight of the financial management of TGF. He expressed satisfaction with the approved Comprehensive funding policy (CFP), but stated that there is still need for approval of two complimentary documents, Investment policy of the Global Fund and Foreign exchange policy of the Global Fund.

Mr. Mammadov also stressed the need for cooperation and splitting of responsibilities between SIIC, AEC and FOPC because all three committees have responsibilities and cross-cutting interests regarding Key performance indicators, Risk management and Procurement. The first discussion from the FOPC meeting was the Work plan for 2014 which is based on five oversight functions. The Committee will receive reports on quarterly, semi-annual and annual report on forecasted budget and actual expenditure of the Secretariat.

It was the first time that the Committee received mid-term report from CFO describing grant and uncommitted assets, source and usage of funds and cash and liquidity management. The mid-term report noted the achievements from 2013 regarding establishment of strong professional team for cash management, state of the art processes, systems and tools, new external and internal controls and development of tight financial management.

Next topic was regarding the Comprehensive funding policy and the need for approval of two complimentary, strategic documents, Investment policy of the Global Fund and Foreign exchange policy of the Global Fund, as a completion of the process of financial management system of TGF. The three tiers that were noted were asset liability management, cash management and liquidity risk.

The next topic of the presentation was a short description of new relationship with the World Bank (WB). The new relationship switches Cash management to the Secretariat, while WB maintains management of donor contributions and investment management. Question was raised regarding the reason for the switch. As Mr. Mammadov explained, the reason was that many countries sent complaints regarding wire transfers etc. and that this switch gives the Secretariat more flexibility to make processes easier and to use the money more efficiently.

Furthermore, Mr. Mammadov informed the Constituency members about extensive discussion and strategic investment objectives of the Revised investment framework that was approved in January 2014 in Chisinau. The objectives are: preserving capital, maintaining adequate liquidity and maximizing investment returns. He then proceeded to explain the Conditional Value at Risk. Conditional Value at Risk at the 95% confidence level of 1% at a given five-year investment horizon means an investment portfolio would have a 95% probability that the maximum loss at a given five-year investment horizon is less than 1% of the value of the portfolio.

The next topic were the Key Performance Indicators (KPI). In the Board meeting in November 2013, 5 KPIs were approved, mainly Strategic KPIs. Seven KPIs were presented for inputs and five KPIs are in the development phase. Mrs. Kurtović indicated that the KPIs were also presented and discussed at the SIIC meeting, as well as baselines and targets. She stressed that KPI 5, Health system strengthening, was discussed in particular, due to concerns that GF is also supporting verticalization within health care systems in the countries and there is need for finding out if the programs with TGF are enabling integration of all three diseases into the health care systems instead of having three vertical, not inter-connected systems.

Mr. Mammadov recommended that all EECA Board member read the Risk Management Policy, and to give any comments they had, so that they can be shared with the Secretariat. Mr. Mammadov went on with giving brief presentation on Policy on Restricted Financial

Contributions (PRFC), as well as update on transformation and strategy and performance in 2013 and 2014.

Mrs. Tonka Varleva raised a question regarding the Strengthening countries capacity to implement strategic procurement practices, because all countries have their own procurement laws, and the strategy of TGF regarding this issue.

There was no information from the Secretariat regarding capacity building activity planned for the country level. It was agreed that this question will be brought to the FOPC attention.

#### EECA Members and representation: SIIC Update

Mrs. Kurtović started with the updates from the Strategy, Investment and Impact Committee (SIIC) meeting that was held in June 2014. The SIIC meeting included the committee induction meeting with all three committees, ad-hoc working group on governance, Board leadership and key Secretariat staff. The topics discussed were the global health horizon, how the global health scene is going to look in 30 years, strategic movements of TGF, changes of the global health horizon and also new structures that are to be introduced in the GF Secretariat (policy hub and innovation hub). Also discussed were sustainability issues for the post-2016 period, because GFs current strategy is expiring in 2016 so there is an ongoing effort on the plan for strategic review. This process will show how far the implementation of strategy went and whether there are areas that need further improvement and strengthening.

Major discussions were held around market dynamics and Market Dynamics Advisory Group (MDAG). The recommendation from the SIIC to the Board is going to be that this working group should be changed to something more effective and efficient. OIG found that the ToR wasn't clear, meetings were held but no results were delivered and a lot of unclarity about the hierarchy.

Discussion was also held on the TRP presentation. There was no decision point made on TRP recommendations. TRP presentation presented a dark perspective saying that the overall success of the Concept notes was poor on basis of only 9 Concept notes. This low number of Concept notes was the basis for the SIIC not to make strategic decisions. There is also a challenge with provision of technical expertise to CCMs. TGF has entered into partnership agreements with WHO, UNICEF, UNFPA, UNAIDS, UNITAID, CSF and everybody is now providing technical expertise to the countries. Instead of making a decision on change of the approach SIIC requested to wait until October in order to get a better sample, and then make policy related decisions.

The next SIIC meeting is in October 2014.

#### EECA Members and representation: Ad-hoc working group on governance

Mr. Viorel Soltan started his presentation with a note that the OIG governance review document was not distributed outside the Board, but only to Board members, alternates and Committee leadership. So the document is still on a confidential level and an internal process of TGF. The same situation is with the survey results.

Mr. Soltan continued with reminder of the structure of the Board. The reason for creation of Working group on governance was the creation of new committees and other structure and

the need for reflection on those structures (how they are working and need for improvement and change).

Assesment was done by the Inspector General and it is considered a good document to start work from. Inspector General started work by going through six core functions of the board – strategy development, governance oversight, commitment of financial resources, assesment of organizational performance, risk management and partnership engagement. He looked through core function and their implementation in terms of governance.

Inspector General concluded that 3 functions of the Board are well managed: strategy development, commitment of financial resources and partnership engagement. Three functions need to be improved – assesment of organizational performance, risk management, governance oversight – most problematic aspects of governance.

There are also a lot of observations inside the document – survey results explained through graphs – leadership is inclined to accept changes, do reforms.

It was noted that the partnership forum is too expensive to organize, but the findings from the Inspector General says that the partnership forum needs to be organized as it is in line with the bylaws (wasn't organized for three years).

The survey is considered as an indicative tool for Working group, but the Working group reserved the right to develop different other options presented by Inspector General, this document is an initial document to work with, it is not obligatory.

The Board should already have received a report from the WG on governance.

There was a question raised by the Constituency members regarding the Partnership forum – when it should be held and where. The opinion was that the Partnership forum is not so usefull for regional partners because regions are different, and some regions are not interested in some kind of partnerships, and that the forum should be organized in clusters in the regions.

#### EECA Members and representation: Risk management evaluation

Mr. Mišo Pejković informed Constituency members that on the last Board meeting in Jakarta, Developing NGO delegation discussed project that Developing NGO delegation applied to GIZ regarding Risk management forum. Mr. Gaj Gurung, focal point of the Developing NGO delegation, presented project and Mr. Mišo Pejković and Ms. Ana Filipovska were chosen as focal point for the region regarding project. Mr. Gurung sent an e-mail from GIZ regarding final preparations for the project and minimal requirements for the project. The next action was a telephone conference with Risk management and it was said that the Chief officer of management is going to organize three forums: one for EECA, one for LAC and one for Francophone Africa. It was also noted that Grant management of TGF is going to sign a contract for collaboration with UNDP. Mr. Pejković raised the question wherter an e-mail should be sent to Mr. Gurung with inquiry why UNDP was chosen for collaboration, rather than PRs in countries or TSO. It was agreed that Mr. Pejković and Mrs. Roelofs will prepare a mail with questions and send it to Mr. Gurung to clarify the selection for collaboration.

## Introduction of Technical support office Sarajevo

Mrs. Aida Kurtović introduced to the Constituency members the newly established Technical support office in Sarajevo. The project period is from 22 May 2014 until 30 September 2015, with the total budget approved in the amount of 99.948,00 EUR.

Mrs. Kurtović went on to explain the reasons for the establishment of the TSO, as well as going through the areas of support that TSO is going to cover, activities that are going to be implemented and the expected outcomes of the project.

There was a discussion raised regarding topics for the capacity building activities that are going to be implemented by the TSO. Ms. Ana Filipovska suggested that the topics might be sustainability and possibility for regional application for EECA region to TGF. Mr. Pejčević agreed with proposed sustainability training and also added the topic of applying for EU grants. Ms. Tonka Varleva agreed with the suggestion for the topic of applying for EU grants because of larger funds available and the possibility for one or two countries to apply for funds with Western European countries. It was also noted that the European Union has different conditions from tender to tender, so that has to be kept in mind.

Mrs. Nataliya Nizova agreed on the topic of sustainability training and also suggested creation of a type of guidelines for new members joining the EECA Constituency. She also suggested creation of policy or vision about partnerships with other constituencies; some of stakeholders on country level are members of other constituencies and it is important to have a channel of communication between these constituencies.

Mrs. Ivana Mišić proposed preparation of written materials about EECA functioning as guideline/procedure for new EECA members.

Mrs. Sandra Roelofs suggested a training for Constituency members that would help members understanding basic financial issues, a course on finances. Often we are getting mention on certain terminology that isn't clear to members and also some terminology that is specific to GF finances, so for better understanding it would be good to create a Module on important issues of the financial nature.

Mr. Viorel Soltan made a suggestion for training for increasing capacity of delegation to be active in the Board – training around risk management basics and oversight, role of delegation, performance evaluation issues, financial training – issues surrounding TGF.

Mrs. Kurtović kindly asked members for a list of topics, ranking and inputs from all delegates.

Mrs. Nizova also suggested for regular communication within the Constituency through monthly phone/skype conference calls. She also suggested to introduce to new board members/ABM/FP the KEY documents and charters of GF.

## Situation in Ukraine and Russia

Mrs. Nizova started the presentation of situation in Ukraine with visit by Mr. Mark Edington. Mr. Edington held meetings with Ministry of Health, State service institution, and he sent a very clear message that it is important for Ukraine to save the same policy about strengthening capacity and governmental and non-governmental partnership in the current situation. He also stated understanding from TGF for necessity to help Ukraine in this situation. Mr. Edington said that TGF is open for discussion with Ukraine under NFM and proposes Ukraine prepare the proposals until June or August 2015. Ukraine CCM decided to send proposal to GF until June 2015.

In the current situation, TB and HIV are not a priority for the Parliament and cabinet of ministers, so that is a challenge Ukraine is facing. Another challenge is a possible change in structure in Public health area. International partners and other institutions sent a message to the Ministry of Health that this would be the wrong way for Ukraine to change structures.

Mr. Alexander Pankratov started with a few words on Russian situation. Russia is not eligible for GF funding. There is also no CCM in Russia but thanks to last NGO rule, Russia got the chance to get last grant for NGOs from GF for two years, the total sum for two years amounting to 12 million \$. In order to make it legal, GF initiated national guidelines for all HIV service organizations in order to select a body similar to CCM. The matter is that this body is not recognized by the government. It is only recognized by TGF and this enabled the body to submit a concept note to TGF. There are fears that if Russia receives this grant, that the government will not donate 60 million \$ to TGF. There was already similar situation two years ago, when the Ministry of Foreign Affairs of Russia sent a letter to TGF stating that Russia is a donor country and is not in need for receiving grants.

Under any other business there were two inputs. Information was shared that there will be an upcoming change in the Board leadership in April 2015. On the upcoming Board meeting in November there will be announcement about start of the nominations. EECA is now the only constituency that has never occupied a seat in the office.

Other information is on regional projects. CCM of Montenegro initiated discussion with the CCMs of Kosovo and Albania regarding regional proposal. It was on very short notice, so the suggestion was that it should be done in the next window in April 2015. Recommendation is that members raise awareness with countries CCMs about this topic. Not all countries need to be eligible for this, there is a 51% requirements for countries to be eligible.

#### Decisions taken and follow-up issues

Mr. Pejković and Mrs. Roelofs will prepare an e-mail with questions and send it to Mr. Gurung, FP of the Developing NGO delegation, for clarification of the selection of UNDP for collaboration by Grant management of TGF.

It was agreed that the EECA Constituency would prepare a letter to be sent to the Ukrainian government concerning the situation in Crimea and challenging necessity of providing steady measures to fight with HIV/AIDS and tuberculosis.

All member of the Constituency were asked to send a list of topics for trainings that are to be held, with ranking and inputs from all delegates.

It was also agreed that a letter is to be sent to the Ugandan president about not signing the Bill on HIV/AIDS, using the example of the Developing NGO Constituency.

Meeting ended at 16:00.

----End of Meeting Minutes---