

**Three Diseases Fund Board Meeting
28 November 2007
Park Royal Hotel, Yangon**

Chair: Andrew Jacobs
Minutes: Mikko Lainejoki, 3DF

Board Members:

SIDA – Asa Anderson-Singh; Klas Rasmusson (taking up the SIDA seat on the Board)
Dr. Nwe Nwe Aye
EC – Anne Harmer
DFID – Michael O’Dwyer
Martin Smith
Dr. Mike Toole

Board Chair Designate:

British Ambassador – Mark Canning

MINUTES

AGENDA ITEM	INFORMATION/DISCUSSION	DECISION/ACTION
1. AGENDA OF THE MEETING	The Chair called the meeting to order at 09.00hrs, and welcomed Mark Canning, British Ambassador (in his role as incoming Chair) and Klas Rasmusson (SIDA) to the meeting.	The proposed agenda was adopted with minor changes.
2. MINUTES OF THE PREVIOUS MEETING (AUGUST 2007)		The minutes of the August 2007 meeting were approved without amendments.
3. FOLLOW-UP POINTS FROM THE AUGUST MEETING	<p>FM and FB will document lessons learned and make recommendations for future proposal process.</p> <ul style="list-style-type: none"> ➤ Fund Manager is addressing the observations and recommendations in the study. ➤ The final report has been posted on 3DF web site. 	FM to ensure that <i>Review of action points</i> is included as a standard Agenda item in all FB meetings.

	<p>FM to hire a consultant to develop a GIS based mapping system based on work already done by UNAIDS and UNDP. FM will draft TOR and present budget for the work.</p> <ul style="list-style-type: none"> ➤ In the present list of priorities this task has a second priority and will not proceed until further notice. <p>Develop strategies to involve more LNGOs/CBOs in 3DF. FM may need to recruit external TA to assist in the process.</p> <ul style="list-style-type: none"> ➤ The consultant has completed the task, and the draft report was presented to the Board members. <p>The FM to finalize the TOR and contract a consultant to develop a community based feedback system.</p> <p>FM to incorporate all comments and finalize the document (Operational Guidelines) and share with all stakeholders.</p> <p>FM to explore possibilities of contracting a private sector company to manage commodity tracking. FM to report back to next FB meeting with a rough proposal on scope of work and possible costs.</p>	<p>No further action required.</p> <p>Ref. Agenda point 7.</p> <p>Ref. Agenda point 5.d.</p> <p>The OGs were finalized and posted on 3DF web site, no further action required.</p> <p>Ref. Agenda point 12.</p>
<p>4. RISK MANAGEMENT</p>	<p>In its meeting the risk management advisory group carefully considered the current risks and updated the matrix. The main risk areas remain the same as in the August meeting with some fine-tuning.</p> <p>1. Resource mobilization and stakeholders' expectations (IMPLEMENTATION LEVEL RISKS)</p> <p>Indicators</p> <ul style="list-style-type: none"> ○ Annual increase in resources available. <p>Result: <i>The threat of decreasing funding for years 2 and 3 is not as strong as before but the timing of contributions is crucial for smooth transition from year 1 to year 2. This requires preponing some of the</i></p>	<p>The EC contribution can be requested as soon as the FM can demonstrate that the funds received in September 2007 have been fully utilized. FM to follow up and</p>

	<p><i>contributions scheduled for September, or alternatively arranging 2 months cost extensions for the September batch of contracts.</i></p> <p>2. Activist groups and perceptions (EXTERNAL POLITICAL RISK) Indicators</p> <ul style="list-style-type: none"> ○ 3DF presented in positive light in parliamentary level hearings Result: <i>A qualified “Yes”. The level of risk is probably the same, but maybe slightly reduced..</i> <p>The Board noted that the informative briefings arranged by the FM are not intended to provide technical advice or to influence technical content of the programmes (which might be considered a breach of the firewall principle). The FM will encourage the TSGs to initiate technical discussions on programme issues. If necessary, FM should contract external experts on specific technical programme issues with the involvement and coordination of the TSGs.</p>	<p>to ensure early transfer of the second tranche.</p> <p>3DF donors and personnel should continue to attend regional meetings to brief on progress.</p> <p>FB to use the forthcoming ARM to engage with higher level Government officials.</p>
<p>5. POLICY DEVELOPMENT</p>	<ul style="list-style-type: none"> a. The Effective Operations Policy The policy paper has been finalised and posted on 3DF web site. b. Gender Study & Policy paper. The selected consultant pulled out in the last minute and the work to contract a new one had to be re-started. The new study start date is February 2008. FM will not hire a national consultant but will use its own staff to support the consultant. c. Anti-corruption Policy paper The members of the board no longer saw a need to develop a more detailed policy paper on the issue; the reference to zero tolerance in the Effective Operations Policy suffices. If practical guidelines are needed FM will develop them as necessary. 	<p>No further action required.</p> <p>FM to contract a gender expert for the study.</p> <p>FM will list all checks and balances related to 3DF’s zero tolerance policy at operational level. The list will serve as a reference for possible future media, donor and stakeholder queries.</p>

	<p>d. Community based feedback mechanism The consultant had submitted a draft report (part 1) for FM's and FB's comments and further guidance. Unfortunately, there was no time for members to study it and discuss in the meeting. The final blue print for the mechanism will be finalized by the end of December 2007.</p> <p>e. Resource allocation The current needs should be re-evaluated to update previous work on resource allocations. The following are the areas of concerns:</p> <ul style="list-style-type: none"> ➤ Prevention vs. treatment and care in HIV/AIDS (currently approx. 60/40%). It was noted that it is difficult to find partners who are willing to scale up the ART. ➤ First line TB drugs; ➤ LLINs and ACTs for the malaria <p>The intention is that re-evaluation of needs will in turn feed to new funding priorities and to a new round of proposals.</p>	<p>The FM will share a soft copy of the draft report with a deadline of 07 December 2007 for the comments.</p> <p>The FM to draft TOR for engaging a health economist to re-evaluate needs in the three programme areas and their cost effectiveness. The consultant should work through the TSGs as much as possible. The draft report should become available for the April ARM.</p>
<p>6. CONTRACT AWARDS, CASH FLOW AND TIMING OF CONTRIBUTIONS</p>	<p>a. The FM presented the current status of contract awards; three agreements remain unsigned: two are late due to retroactive payments element (the activities have started already more than 3 months ago); one is awaiting finalisation of a project proposal.</p> <p>All these remaining contracts will be signed during the week of 03 December.</p> <p>b. Cash flow and timing of contributions The FM acquainted the board members with the current funding situation and highlighted the areas of potential challenges. The total amount of contributions received since the inception of the fund exceeds \$30 million while the contributions in 2007 amount to \$26 million.</p>	

	<p>The earlier concerns expressed by the FM of potentially having a gap between year 1 and year 2 contracts are no longer alarming as the Chair confirmed that EC's second contribution can be requested as soon as the FM can demonstrate that the first contribution has been fully spent.</p> <p>c. Contractual conditions The board unanimously re-confirmed their earlier decision that all implementing partners (IPs) should adhere to the same contractual conditions when agreeing Memoranda of Agreement with the FM. 3DF will not accept additional financial conditions specific to individual agencies.</p> <p>d. Policy on additional contributions. The FM was offered an earmarked contribution for commodities to be procured from a specific manufacturer. The board members discussed the pros and cons of such a contribution. It was agreed that the guiding principles of the fund need to be respected, i.e. earmarked or tied contributions cannot be accepted.</p>	<p>The FM to make an early request for EC's second contribution (latest February 2008).</p> <p>The FM was requested to contract another partner in any case where an individual agency insisted on financial or other contractual conditions which did not accord with those established by the FM and approved by the FM.</p> <p>The FM was tasked to contact the relevant agency to inform them of 3DF's policy on receiving contributions, and guide them to partner organizations implementing relevant activities in Burma/Myanmar.</p>
<p>7. STUDY ON HOW TO ENGAGE MORE LNGOS AND CBOS IN THE 3DF</p>	<p>The consultant, Tom Kramer gave presented his findings and recommendations.</p> <p>Some concerns were expressed on risks of screening potential partners to avoid engaging with organizations that have a political agenda. The high need and emphasis on organizational capacity building requires a special attention from 3DF's side; IP's focus is on project staff type capacity building.</p> <p>Several interesting challenges were identified in the study, for example:</p>	<p>The FM will share a soft copy of the draft report with a 07 December 2008 deadline for the comments.</p> <p>FM to liaise with both consultants (CBO study and community based feedback mechanism) to identify possible overlaps and cross cutting issues.</p> <p>The FM was asked to operationalise the study report.</p>

	<ul style="list-style-type: none"> ➤ how to create a conducive environment for the CBOs to work and grow, ➤ how to work with cease fire groups (for example through a social front and local NGOs), ➤ how to create regional networks to get resources out to the periphery, ➤ how to identify networks that already exist and build on them. <p>It may be necessary to bring in external resources (for example training materials) to help in the mobilization of TOT groups. IPs may already have some materials available on issues such as ethics, code of conduct, technical disease specific matters, etc.</p> <p>Concerns were expressed that capacity building and organizational strengthening may not allow competitive process but requires use of the direct grants mechanism. However, it was noted that there are already local NGOs and CBOs that have received capacity building training and can handle funds, and respond to a Request for Proposals.</p>	<p>The FM was also requested to launch a second call for Expressions of Interest (EOIs Round 2) in January 2008, following which local NGOs/CBOs will be selected to receive small value grants (below USD 100,000).”</p> <p>The total anticipated amount of funds available is USD 1.0 million. The initial target date for the first contracts to be in place is July 2008.</p>
<p>8. M & E FRAMEWORK</p>	<p>Dr. Abdullahel Hadi, M&E Officer, FM presented the draft M&E Framework which was well appreciated by the fund board members.</p> <p>The common denominator of the comments made was to ensure that all diseases related key indicators are from the national M&E frameworks. The preferred way of introducing or proposing new indicators is to work through the TSGs (for example vulnerability, four prongs of PMTCT).</p> <p>There is a need to ensure qualitative outcomes, and to express as many output indicators as possible as a percentage and not just a number.</p>	<p>FM to review the 3DF specific indicators and to ensure that indicators measuring the operating environment are included (for example time to obtain travel clearances, access to areas of various ethnic groups, and population covered by 3DF funded projects).</p> <p>FM to arrange a workshop on indicators mid January 2008 with a small number of FB members.</p>

<p>09. COMMUNICATION - 3DF WEB SITE AND LOGO</p>	<p>The board use of the 3DF logo in conjunction with those of individual agencies and/or the MOH; and noted that the Memorandum of Agreements (MOA) signed with IPs obliges them to display prominently the 3D Fund logo at service delivery sites and on promotional materials. This is acceptable and part of 3DF branding exercise.</p>	<p>FB agreed that IPs should continue to display the 3DF logo as agreed in MOAs.</p>
<p>10. REVIEW MEETING</p>	<p>The scope and agenda for the Annual Review Meeting will remain the same; the new dates are 1-2 April, 2008. It was agreed to have a preparatory meeting with FB members in Yangon in January 2008.</p>	<p>The FM to start preparations for the AMR according to the previous plan.</p>
<p>11. BRIEFINGS IN THAILAND</p>	<p>For the moment, regular 3DF regional briefings suggested in the August meeting were not considered most effective; instead 3DF should continue making use of the different channels and meetings it is engaged in to keep regional interest groups fully informed.</p>	<p>The FB to explore possibilities for 3DF to take part in more EC and other donors' briefings in Bangkok.</p>
<p>12. PROCUREMENT AND COMMODITY TRACKING</p>	<p>The FM shared information and first analysis of procurement actions taken by IPs. There have been several discussions with partners on 3DF's procurement policy on pharmaceuticals. The current draft policy is based on Operational Guidelines and requires compliance with Good Manufacturing Practices (GMP), and to ensure that essential drugs and non-pharmaceutical medical supplies meet internationally recognized quality criteria. This is relevant especially for locally procured drugs.</p> <p>The policy for accepting disease specific drugs to be procured utilizing 3DF funding is based on national treatment guidelines. From 1st January 2008, 3DF will not approve the use of its funds for the purchase of any drug not included in the master lists regardless whether the procurement is done directly by IPs or through the FM. The FM office will prepare the list of drugs included in the respective National Guidelines for</p>	<p>The board members expressed concerns of FM being too strict in approving lists of drugs to be procured by partners under 3DF funding but nevertheless endorsed the procurement policy.</p> <p>The FM was asked to closely liaise with partners to assist on possible problems related to import licenses.</p>

	<ul style="list-style-type: none"> a. ART treatment b. Clinical management of HIV positive people c. Home Based Care for AIDS patients d. Treatment of sexually transmitted Infections e. Treatment for malaria f. Treatment for Tuberculosis <p>The list of drugs proposed in each of the guidelines will be used as the ‘master’ list for procurement of drugs to be approved by 3 DF and based on the scope of work agreed between 3 DF and the respective IP.</p> <p>The FM has explored the market for potential service providers for commodity tracking. The early discussions have shown that it is a viable option.</p>	<p>FM to proceed with a tender and with a subsequent pilot project in acquiring commodity tracking services from the private sector in Myanmar.</p>
<p>13. FUTURE PLANS</p>	<p>Structural review of 3DF</p> <p>The pros and cons of having a structural and functional review of the 3DF through a facilitated process at this early stage of the life cycle were thoroughly discussed. Instead of having a full review it was decided to make use of the annual review process followed by a session facilitated by the same specialist who helped to conceive the Fund. In preparation for this an internal review will be carried out by a group of donor representatives.</p> <p>The consensus among the participants was that the FB needs to start discussing of the Fund’s continuation strategy for 2012.</p>	<p>The FM was requested to invite Paul Thornton to the ARM and to subsequently facilitate a brief half day session on possible changes to the 3DF structure.</p> <p>Michael O’Dwyer will draft ToR for a Review of 3DF Structures and Functions, to be carried out by a donor representatives in advance of the ARM.</p>
<p>14. AOB</p>	<ul style="list-style-type: none"> a. Note for the Record <p>The FB noted the decision made through the exchange of emails (Note for the Record of 19 October 2007 from the CEO) on FM’s authority to make changes to approved project proposals and existing contracts.</p>	

	<p>b. 3DF staff development The FM made a request for a small amount of funds to be used in 2008 for staff development, internal communication and team building exercise. Funds will be taken from savings in HR costs.</p> <p>c. 3DF's own satellite connection The FM proposed that it have its own independent satellite connection to ensure effective communication during a crisis or an emergency. Initial investment would be approx. \$10,000-15,000 and annual subscription fees approx. \$30,000.</p> <p>The FB confirmed the dates for the board meetings in 2008 as follows: 31 March (full day) and 04 April (morning only) 27-28 August 10-11 December</p>	<p>The FB approved the request.</p> <p>The FB considered the costs too high compared to the added value. No further action required.</p>
<p>15. FORMAL HANDOVER AND WELCOME TO THE NEW CHAIR</p>	<p>The Chair of the Fund Board, Andrew Jacobs thanked the incoming Chair, Ambassador Mark Canning from the British Embassy for his willingness to take on this demanding but also very interesting responsibility.</p> <p>The Chair also thanked Asa Anderson-Singh and Michael O'Dwyer for their excellent work and contributions as members of the Board. For both this was the last board meeting due to changes in their job responsibilities.</p> <p>The incoming Chair in turn thanked Andrew Jacobs for keeping the FB on the right track and achieving outstanding results during the first year of operation.</p>	
	<p>The meeting was adjourned at 17.45hrs Wednesday 28 November.</p>	