

MINUTES OF THE 5TH MEETING OF THE GOVERNING BOARD OF THE PANDEMIC FUND

June 1, 2023

1. The Fifth meeting of the Governing Board of the Pandemic Fund was held virtually on June 1, 2023. This marked the first meeting of the newly reset Board following the interim period (September 2022 – May 2023).

2. In her opening remarks, the Executive Head of the Pandemic Fund Secretariat, Priya Basu, noted the strong recognition of the Pandemic Fund at the recently held World Health Assembly (WHA) in Geneva and the excellent partnership with the WHO. She also noted that the Pandemic Fund hosted a very successful side event at the WHA, attended by over 200 participants, including several Ministers of Health from among the Pandemic Fund's Contributors and Co-investors, as well as other leaders from across the global public health spectrum, implementing entity representatives and civil society partners. The event underscored the high expectations of the Pandemic Fund, which are also reflected in the overwhelming subscription to the Fund's first Call for Proposals that has generated requests for more than US\$2.5b in financing from 129 low- and middle-income countries, or eight times the available envelope for funding. The decisions made by the Governing Board at today's meeting on shaping the funding allocation for the first Call for Proposals, and the meeting in mid-July on funding decisions, she said, would serve to be consequential and would be carefully observed.

I. ITEMS FOR DECISION BY VOTING MEMBERS

Selection of co-Chairs for the Governing Board

3. As its first order of business on the selection of Board co-Chairs, the Board selected **Dr. M. Chatib Basri**, former Minister of Finance for Indonesia and Board co-Chair and subsequent Chair during the interim period, and **Dr. Sabin Nsanzimana**, Minister of Health for Rwanda, to serve as the co-Chairs for a two-year term.

Funding Allocation Under the First Call for Proposals

4. The Trustee provided a brief overview of the financial status of the Pandemic Fund indicating that, as of May 31, 2023, 24 of the 25 pledges had materialized into signed contribution agreements/arrangements and that funds held in trust (i.e., the amount available for funding allocation) stood at US\$1.118 billion.

5. The Secretariat then presented a preliminary analysis, based on its screening as of May 31, 2023, of the applications under the First Call for Proposals. Some of the key highlights shared were as follows: A total of 179 applications were received covering 129 countries and over US\$2.5 billion in requested grant financing. Approximately 75% were single country proposals and most covered all three priority areas of the first Call. Over half of the applications included two or more Implementing Entities. Nearly 75% (133 applications) were considered eligible. These proposals covered 123 countries and amounted to over US\$2.1 billion in grants requested. Over 80% of eligible proposals were single-country proposals and 98 proposals had a One Health component. Approximately 75% of proposals requested US\$20 million and below. The Secretariat noted that important lessons had been learned from the first Call that would be reflected in the Stocktaking. Members thanked the Secretariat for its hard work and for the helpful analysis and underscored the importance of capturing the lessons learned.

6. The Board discussed the five key Decision Points around the allocation of funds under the first Call for Proposals as laid out in the Board paper circulated in advance of the meeting. It was noted that at the time the paper was drafted, the Call for Proposals had not closed. Now that the first Call had closed, and with the preliminary analysis shared with Board members, Members felt that this would have important implications on the Decision Points related to funding allocation.

7. On the **first** Decision Point, the Board considered the two approaches presented in the Board paper to identify the initial set of proposals to fund under the first Call: i) relying solely on technical merit (i.e., selecting the proposals that are scored highest by the TAP); or ii) creating a custom-built portfolio that uses as its starting point the TAP's recommendations, but then applies a set of Board-agreed, objective criteria to construct a diverse portfolio. The Board agreed to use an approach involving the construction of a diverse portfolio by applying a set of objective criteria to prioritize among the proposals recommended by the TAP. Further, there was broad agreement that proposals recommended for re-review by the TAP should **not** be considered when constructing the portfolio. The agreed language on this Decision Point was as follows:

- *In the event that the resources of the Pandemic Fund are not sufficient to fully finance all proposals under the first Call for Proposals that the Technical Advisory Panel*

recommends, the Governing Board notes the importance of using the first Call for Proposals for learning purposes and so decides to construct a diverse portfolio by applying a set of objective criteria to prioritize among the proposals that are recommended by the TAP.

8. On the **second** Decision Point, related to the specific criteria to be used in constructing the portfolio of proposals to fund, it was noted that the Board paper had listed five criteria (in alphabetical order), including: i) Geographical distribution of proposals, ii) income group, iii) priority area, iv) type of Implementing Entity, and v) Fragile and conflict-affected situations (FCS). Members agreed that the following three criteria were the most critical, in order of importance: i) geographical distribution, ii) income group, and iii) type of Implementing Entity. On income group, Members converged on the need to give priority to low- and lower-middle-income countries. On type of Implementing Entity, it was agreed that this would need to reflect a mix of Multilateral Development Banks and United Nations organizations/global health initiatives. Regarding the criterion on priority areas, there was broad agreement that this did not need to be included, given that most proposals received cover two to three priority areas. Further, the criterion of FCS was discussed in detail. While members noted the importance of FCS as a criterion, it was agreed that more work was needed on defining an appropriate and comprehensive metric to apply and that this would be carried out in preparation for the second Call for Proposals. For the first Call, while FCS would be factored in as a consideration as the Board examines possible portfolio scenarios under the first Call, it would not be explicitly included as a criterion. The agreed language on this Decision Point was as follows:

- *The Governing Board decides to use the following criteria (listed in order of priority) to construct a diverse portfolio for the first Call for Proposals:*
 - *Geographical distribution (by World Bank Group region);*
 - *Income group (a mix of low-, lower-middle-, and upper-middle-income/high-income countries, with a priority for low- and lower-middle-income countries);*
 - *Type of Implementing Entity (a mix of Multilateral Development Banks and United Nations organizations/global health initiative)*

Fragile and Conflict-affected Situations (FCS) will be factored in as a consideration as the Governing Board examines possible portfolio scenarios.

9. On the **third** Decision Point, related to prioritizing multi-country/regional entity proposals, Members agreed that applying the criteria laid out in Decision Point 2 above to multi- country/regional entity proposals would pose challenges and that a different approach was needed to handle such proposals. Further, they agreed on the importance of including multi- country/regional entity proposals in the portfolio to be funded through the first Call. Some Members suggested defining a minimum amount or percentage of the final portfolio for allocation to multi-country/regional entity proposals while others proposed setting a target for

the minimum number of such proposals to be included in the portfolio. Ultimately, Members agreed on the importance of including TAP-recommended multi-country/Regional Entity proposals in the portfolio of proposals to be funded through the first Call, without setting any caps, floors, or numerical targets. The agreed language on this Decision Point was as follows:

- *When preparing scenarios for the Governing Board's review, the Secretariat will ensure the inclusion of TAP-recommended multi-country/Regional Entity proposals.*

10. The Board abandoned the **fourth** Decision Point laid out in the Board paper, pertaining to the treatment of large single-country proposals, as no proposals exceeding US\$100 million have been received under the first Call.

11. On the **fifth** Decision Point, pertaining to the methodology for building a portfolio from amongst an established set of criteria, Members noted the three options proposed in the Board paper, namely, i) to follow an iterative approach towards identifying proposals to fund from amongst those recommended by the TAP, applying a set of agreed criteria (Option 1); ii) an approach where the Secretariat would prepare three scenarios that present different ways to fulfil the Board-agreed criteria for funding allocations (Option 2); and a variation on this approach, where the Secretariat would not identify countries by name in the scenarios presented and would withhold identifying information about proposals until the Board had decided which proposal to fund (Option 2a). Following a discussion on the relative merits of Options 2 and 2a, broad agreement was reached on Option 2. The agreed language on this Decision Point was as follows:

- *The Secretariat shall prepare three scenarios that present different ways to fulfill the Board-agreed criteria for funding allocations. For each of these scenarios, the Secretariat shall prepare two slates of proposals, one not exceeding US\$300 million and one not exceeding US\$350 million.*

II. ITEMS FOR DISCUSSION BY VOTING MEMBERS

Information that will be provided to the Governing Board by the TAP and Secretariat

12. The proposal presented in the Board paper on the information that the TAP and the Secretariat will provide to Voting Members was endorsed.

13. During the discussion on information that the TAP would present to the Board, the importance of both quantitative and qualitative information was underscored. Further, a

suggestion was made that the TAP differentiate its assessment of proposals between “highly recommended” and “recommended” to support the Board in identifying the best proposals amongst those eligible. While there was some support for the addition of more categories, it was recognized that this would add to the TAP’s already heavy workload, and it was also noted that this would necessitate changing the TAP’s Terms of Reference. Therefore, it was agreed that such a differentiation of proposals into additional categories could be considered for subsequent Calls.

14. On information to be provided by the Secretariat to the Board, some Members asked if it would be possible for the Secretariat to include a One Health tag for proposals and some asked if the Secretariat could include information related to equity (e.g., gender equity, inclusion, CSO involvement in proposals). The Secretariat agreed to include a One Health tag and to explore the possibility of including an equity tag.

Funding envelope for the first Call for Proposals

15. Given that the funds held in trust as of May 31, 2023, exceed the anticipated amount, the Board briefly discussed the possibility of expanding the funding envelope to above US\$350 million. However, many Members felt that this was not the right time to reopen this issue.

How to handle proposals that are recommended by the TAP but not funded

16. Board members noted the importance of agreeing on an approach to handle proposals that are recommended by the TAP but do not receive funding under the first Call. Some of the options proposed by the Secretariat in the Board paper include: i) setting up a matchmaking platform to connect unfunded proposals with alternative sources of financing; ii) agreeing that the second Call focuses on the same priority areas and prioritizes proposals that were recommended but not funded under the first Call; iii) issuing small grants for planning, evidence-generation, or catalytic activities. Members noted, in order to manage reputational risks and avoid discouraging the submission of proposals under future Calls, it would be important to agree and communicate, by July 19, 2023, the Board’s approach to handling TAP-recommended but unfunded proposals.

17. With the discussion on the funding allocation for the first Call for Proposals having exceeded the allotted time, and with additional participants for the Full Board session waiting to join the meeting, the Board agreed to save any other business for the next Board meeting. Before adjourning, the Board requested that a discussion on collaboration between the Pandemic Fund and the Global Fund be scheduled in the coming weeks, with the participation of the Global Fund.

III. OPEN SESSION - ITEMS FOR DISCUSSION & AGREEMENTS REACHED

18. The Full Board was informed of the selection of Dr. Basri and Dr. Nsanzimana as co-Chairs. Dr. Basri welcomed the new Board members, including new Principals and Alternates for some of the Sovereign Contributor constituencies; three new CSO representatives, following a self-organization process; and representatives for the two newly reset Sovereign Co-Investor constituencies (the Philippines and the Kyrgyz Republic, which have filled the vacancies created by the Solomon Islands and Kazakhstan, respectively), following a self-organization process.

Secretariat Overview on the First Call for Proposals

19. The Secretariat began the session by providing an overview of the data emerging from the recent closure of the first Call for Proposals as well as insights on the purpose-built dashboard and portal for proposal submission and review. This application portal, which was developed over a two-month period, was launched on May 1, 2023.

20. The Secretariat shared that all proposals submitted had been screened for eligibility, utilizing the portal, with proposals having been categorized as “eligible”, “ineligible”, or “more information needed”. Applicants whose proposals were designated as requiring more information were asked to provide additional material and were given the opportunity to resubmit through the portal. Over half of the proposals received were in this latter category, with the most common reasons for resubmission being missing letters of support, typically from the Ministry of Finance; a misunderstanding of definitions; and a lack of consistency around figures related to cost estimates, budgets etc. The portal allowed for the Secretariat to be in a constant feedback loop with applicants, and significant time and effort was required in answering questions and providing clarifications by e-mail and phone. Eligible proposals were then sent to the TAP for evaluation. Most proposals (74%) screened by the Secretariat were deemed eligible. Accommodations were made, via a statement of explanation, for proposals missing letters of support from their Ministry of Finance as this missing letter was holding back a large portion of otherwise eligible applications.

Update from the TAP

21. The TAP Chair, Dr. Mike Ryan and Vice-Chair, Dr. Joy St. John, informed the Board that the TAP had started receiving applications from the Secretariat in tranches. Further, they noted that the TAP experts had commenced reviewing proposals. The dashboard allowed TAP experts to flag any potential conflicts of interest upfront, and reviewers were being re-assigned to address conflicts. TAP experts would submit individual scores into the Fund’s portal by June

20, 2023. This would be followed by a Retreat from June 22–25, 2023, where the TAP would discuss the evaluated proposals and prepare its recommendations for the Board. Following this, the TAP’s recommendations would be sent to the Secretariat by June 30, 2023. This would all take place via the portal/dashboard.

22. The Secretariat noted that, as per the agreed timeline, the Board’s Voting Members would receive for review all proposals evaluated by the TAP along with the TAP’s recommendations, by July 5, 2023. Further, the Secretariat reminded the Board that, as previously agreed, Voting Members were scheduled to meet on July 19, 2023, to decide which proposals to fund based on the TAP’s recommendations. During the review period, Voting Members would be able to review all proposals along with the TAP’s recommendations in real time, using the portal/dashboard.

Update on the Conflicts of Interest Framework Implementation & Next Steps

23. The Secretariat noted that the Framework for Conflicts of Interest (CoI) had been adopted by the Board on March 1, 2023. The Framework requires the establishment of a CoI Committee, expected to comprise up to five (and at least three) Voting Members who reflect the diverse composition of the Board. The roles and responsibilities of this Committee are described in the Framework. Given the time sensitive nature of the formation of this Committee in relation to the process of evaluating the first round of funding requests, the Secretariat requested Voting Members to provide nominations from among Principals and Alternates as soon as possible. Once nominations are received, the Secretariat, in coordination with the co-Chairs, will present the candidates to the Board’s Voting Members for approval.

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24. The United States mentioned that it is finalizing arrangements for an additional contribution of US\$250 million, which would bring its total contributions to the Pandemic Fund to US\$700 million.

25. Some Members inquired about the development of the Fund’s strategy, which was discussed during the March Board Retreat. The Secretariat noted that a paper was under preparation and would be circulated in the next couple of weeks. Additionally, the Secretariat noted that it would be circulating a workplan and accompanying budget paper to the Board for approval on a no-objection basis before the end of June 2023.

26. Senegal thanked the Secretariat for arranging French interpretation for the meeting and reiterated the importance of providing this during meetings to support participation of non-anglophone members.

27. Dr. Basri closed the meeting and reminded the Board about the two upcoming meetings: the first being a meeting to cover the postponed agenda item on coordination with the Global Fund, and the second, the meeting on July 19, 2023, for Voting Members to decide on funding allocations.