
Electronic Report to the Board

Appointment of the 2020 Inspector General Nomination Committee Membership

GF/B43/ER09

24 JULY 2020

Board Decision

Purpose of the paper: This report is submitted by the Board Chair and Board Vice-Chair (“Board Leadership”) to the Board and presents the Board Leadership’s recommendation of the candidates to serve as Members of the 2020 Inspector General Nomination Committee.

The report proposes one electronic decision point as follows:

- GF/B43/EDP10: Appointment of the Members of the Inspector General Nomination Committee

Decision

Decision Point: GF/B43/EDP10: Appointment of the Inspector General Nomination Committee Membership

The Board appoints the following individuals to serve as members of the Inspector General Nomination Committee (Nomination Committee) in accordance with the terms of reference of the Nomination Committee approved under decision point GF/B43/DPO3 and set out in Annex 1 to GF/B43/12 – Revision 1:

- a. Grace Rwakarema, Chair*
- b. Thomas Alexander, Vice-Chair*
- c. Allan Maleche, Member;*
- d. Thomas Morrow, Member;*
- e. David Webb, Member;*
- f. Diana Isiye; Independent Member; and*
- g. Norbert Hauser, Independent Member.*

Budgetary implications (included in OpEx budget)

A summary of relevant past decisions providing context to the proposed Electronic Decision Point can be found in Annex 2.

Executive Summary

Context

The appointment of the next Global Fund Inspector General is a governance priority for 2020. As reported at the 43rd Board Meeting, the current Inspector General will step down in August 2020.

Following approval of the IGNC Terms of Reference and an open, rigorous and competency-based selection process for members, the Board Leadership recommended on 10 June the appointment on the IGNC of seven individuals. The Electronic Decision Point (GF/B43/EDP03) did not secure sufficient votes to pass. This has led to a delay in the start of the selection process for the new Inspector General. A second call for nominations was launched on 19 June inviting the submission of candidates for the IGNC.

The Decision Point outlined in page 2 to this report presents the recommendation of the Board Leadership to the Board as regards the membership of the IGNC.

The Board Leadership expresses its gratitude to the Ethics and Governance Committee (EGC) for the competency-based assessment of the nominees and the Ethics Office for robust due diligence. The Board Leadership expresses its confidence regarding the review process and regarding the candidates proposed for the membership, who, collectively, fulfil the competency requirements of the IGNC TOR as may be seen in their profiles (see Annex 1).

Questions this paper addresses

- A. What was the selection process?
- B. What is the Board Leadership's recommendation?
- C. What are the next steps?

Conclusions

- A. The IGNC membership selection was re-run, and consultations were held with constituencies that voted against or abstained from the last EDP to understand their views. Nominations for constituency and independent roles were received and were largely unchanged from the first round. The Board Leadership, in consultation with the EGC, assessed all candidates according to the skills and experience requirements defined in the IGNC TOR. The Ethics Office conducted due diligence on all candidates and shared outcomes with the EGC and Board Leadership.
- B. Following that process, the Board Leadership recommends the appointment of the seven individuals listed in the Election Decision Point.
- C. Following the appointment of the 2020 IGNC membership the Inspector General Selection Process will be launched.

Input Sought

The Board is requested to approve, as recommended by the Board Leadership, the decision point set out on page 2 of this report.

Constituencies are reminded that at this stage, candidate information is not public, and must remain confidential until the appointment of the IGNC members is approved by the Board. Information relating to the recommended candidates must not be discussed outside of the constituencies. In case of any questions regarding the content of this report, constituencies are invited to contact the Legal and Governance Department and/or the Ethics Officer, directly. In the interest of the continued respect of the personal reputation of the final candidates, questions should not be copied to the full Board.

Input Received

The Board Leadership in its assessment of the candidates took into consideration the first and second EGC reviews of the IGNC membership, and the due diligence review conducted by the Ethics Office, including confirmation that independent candidates fulfil the independence criteria defined in the IGNC TOR.

Report

What was the process to select IGNC members?

1. Members to serve on the 2020 IGNC were identified through the following process:
 - a. **Candidate nominations:** Nominations for constituency roles reopened and were received from Board constituencies, while independent candidates applied for membership of the IGNC following outreach.
 - b. **Review of candidates:** The Board Leadership, in consultation with the EGC, reviewed all candidates against the technical skills and experience defined in the IGNC TOR.
 - c. **Due diligence:** The Ethics Office reviewed candidates' Declarations of Interest and conducted background checks against national and international watchlists, proprietary political exposure, adverse media, OIG databases. Independent candidates were also reviewed against the independence criteria defined in the IGNC TOR.
 - d. **Recommendation to the Board:** Following consideration of reflections from the EGC, and the outcomes of the Ethics Office's due diligence, the Board Leadership submits its recommendation to the Board.
2. The EGC and Ethics Officer met after the close of nomination to **review the candidates**.
 - The second call for nominations did not result in any new candidates from constituencies. Two new independent candidates were put forward. One independent candidate from the first nomination process confirmed willingness to be considered in this second round of nominations.
 - The EGC affirmed the robust process followed in the second call for nominations, including careful due diligence and competency-based assessment in line with the IGNC TOR requirements.
 - The EGC reaffirmed their comfort that their competency review following the first call for nominations had also been robust and conducted in line with the collective competency requirements defined in the IGNC TOR, and would provide an IGNC which was technically strong and collectively bring senior level skills and experience in all fields outlined in the IGNC TORs. Specifically, in:
 - the fields of internal audit, assurance, forensic audit and investigations, and risk assessment and oversight according to best practice principles from the finance and development sectors, and familiarity with human rights issues;
 - management and leadership of diverse teams in a professional environment; and
 - skills in the specific task of identifying and interviewing senior executive talent, with previous experience in a Global Fund ad hoc nomination committee being an asset.
 - The Ethics Officer presented the outcomes of the **due diligence** review, including for the two new independent candidates, noting that one candidate did not fulfil the independence criteria. The Ethics Officer reconfirmed that there was no new information from a due diligence perspective which should change the assessment of the constituency-nominated candidates, and as such, nothing to prevent their being considered for IGNC membership positions.
 - In line with provisions of the IGNC TOR and core Global Fund principles, due consideration was also given to identifying candidates from diverse regions and sectors, and to gender balance. Candidates confirmed their availability to commit to the work of the IGNC.

How did the process respond to constituency feedback?

3. The Board Chair and Vice-Chair, and the EGC Chair and Vice-Chair, reached out to all constituencies that voted against or abstained from the first decision point in order to hear and understand the rationale for their positions, and to provide opportunity to discuss any concerns. Further consultations were undertaken with these constituencies to explain the process followed. Discussions noted the importance of upholding due process, as well as the urgency for the Global Fund to move forward with the approval of the IGNC members in order to launch the search for the next Inspector General. Furthermore, where broader issues were raised beyond the specific scope of the selection of IGNC membership, these have been noted. There will be a need for the Board Leadership, the EGC and the Board itself to address such matters in due course.

Board Leadership Review and Recommendation

4. Following review and consideration of the skills, experience and principles outlined above, the Board Leadership recommends the following members to the IGNC to be approved by the Board. The candidates bring senior global experience and necessary gravitas to the IGNC. Moreover, their combined experience brings strong expertise in the technical fields defined in the IGNC TOR, experience leading diverse teams, in executive-level selection processes, from the fields of public health, global development and the private sector, and familiarity with human rights issues. Candidate biographies are presented in Annex 1.
 - a. Grace Rwakarema, Chair of the Inspector General Nomination Committee;
 - b. Thomas Alexander, Vice-Chair of the Inspector General Nomination Committee;
 - c. Allan Maleche, Member;
 - d. Thomas Morrow, Member;
 - e. David Webb, Member;
 - f. Diana Isiye; Independent Member; and
 - g. Norbert Hauser, Independent Member.
5. The key competencies and experience brought to the IGNC by the candidates may be briefly and non-exhaustively highlighted as follows, with full professional bios presented in Annex 1. All candidates have extensive senior leadership, management and selection experience, and professional expertise in fields of relevance to the work of the IGNC.
 - a. Grace Rwakarema: senior financial, performance and compliance audit expertise in supreme audit institution, public and international organization settings; Global Fund governance experience from both AFC and EGC perspectives; committee leadership experience (EGC).
 - b. Thomas Alexander: senior leader in governmental setting; extensive legislative experience; knowledge of human rights, ethics and integrity matters; strongly familiar with work of Global Fund OIG and Global Fund governance.
 - c. Allan Maleche: human rights lawyer and advocate; strong Global Fund governance experience including as AFC and Board member.
 - d. Thomas Morrow: internal audit, investigations and risk management in field of international development; close knowledge of the work of the Global Fund AFC.
 - e. David Webb: internal audit, advisory services, investigations, fraud and corruption expertise in international organization and global development settings as well as the private sector; close involvement in Global Fund governance within the WHO constituency.
 - f. Diana Isiye (Independent): diverse experience spanning private and non-profit sectors in investigations, risk and compliance, audit, forensic accounting, fraud risk management and corruption prevention. Independent AFC member.
 - g. Norbert Hauser (Independent): Global Fund leadership experience as former Board Chair; OIG leadership experience as former interim Inspector General; extensive audit expertise including as former Vice President of Germany's Supreme Audit Institution,

Chairman of the United Nations Panel of External Auditors, Member of the Public Accounts and Auditing Committee of the German Parliament.

6. The Board Leadership received confirmation from the Ethics Officer that following the due diligence reviews, nothing had been identified that would prevent the above candidates from serving on the IGNC. In addition, the independent member candidates were confirmed as satisfying the independence criteria and have submitted a Declaration of Independence.

What are the next steps?

7. Once the membership of the IGNC is appointed, the IGNC will convene to establish its work plan, and the selection process for the new Inspector General will be launched. A call for applications and recommendation of candidates for the Inspector General will be issued.

What would be the impact of delaying or rejecting the decision to progress?

8. Delaying or not approving the membership of the IGNC would result in further delaying the launch of the Inspector General selection process, which was due to start last month.

Recommendation

9. The Board is invited to approve the Board Leadership recommendation for the appointment of the IGNC membership as set forth in the electronic Decision Point presented on page 2.