

**GF/B25/5**

**Attachments 2 - 5**

## **GOVERNANCE REFORMS**

The documents below comprise part of the “Governance Reform Documents” described in the Executive Summary of the Board Governance Reforms Paper (GF/B25/5), as follows:

- Attachment 2: Charter of the Strategy, Investment and Impact Committee
- Attachment 3: Charter of the Finance and Operational Performance Committee
- Attachment 4: Charter of the Audit and Ethics Committee
- Attachment 5: Terms of Reference of the Coordinating Group

**CHARTER OF THE  
STRATEGY, INVESTMENT AND IMPACT COMMITTEE**

**A. Purpose**

1. The purpose of the Strategy, Investment and Impact Committee (the “SIIC” or the “Committee”) of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the “Global Fund”) is to (i) provide oversight of the strategic direction of the Global Fund; and (ii) ensure the optimal impact and performance of its investments in health.

**B. Functions**

2. The Board has delegated its authority to the SIIC to exercise the following powers and perform the following functions.

Decision-Making Functions

- 2.1 The SIIC shall exercise the following decision-making functions:

- a. Approval of and/or modifications to policies for the implementation of strategic funding policies and initiatives adopted by the Board.
- b. Adoption of key performance indicators and methodology for assessment of the performance of the Global Fund grant portfolio, based upon the performance assessment framework approved by the Board.
- c. Approval of and/or modification to the Terms of Reference for the advisory bodies of the Global Fund, in accordance with the Board-approved mandate for such bodies.
- d. Appointment of members to the advisory bodies of the Global Fund.
- e. Approval of the guidelines, evaluation criteria, processes, work plan and procedures of the advisory bodies of the Global Fund.
- f. Approval of high-level frameworks to guide Secretariat implementation of reprogramming of grant programs and de-commitment of funding in order to align investment decisions with strategic funding policies and optimize operational impact.

Advisory Functions

- 2.2 The SIIC shall advise and make recommendations to the Board on the following:

- a. The institutional strategies of the Global Fund.
- b. Modifications to the organization and/or operations of the Global Fund, based upon assessment of the performance of the Global Fund's grant portfolio and initiatives, and taking into consideration advice and recommendations received by the SIIC from the Audit and Ethics Committee and the Finance and Operational Performance Committee.
- c. Modifications to Board-approved funding strategies and initiatives.
- d. Strategies for enhancing investment impact and value for money, taking into consideration issues such as epidemiological trends and technological developments.
- e. Modifications to Board-approved funding policies on eligibility, prioritization and counterpart financing.
- f. Material modifications to the mandate of the advisory bodies of the Global Fund.

#### Oversight Functions

- 2.3 The SIIC shall have responsibility for oversight and review in the following areas:
- a. Oversight of the grant portfolio and initiatives of the Global Fund, including annual performance assessments based upon key performance indicators adopted by the SIIC, making use of both internal and external evaluations, reports of the advisory bodies of the Global Fund, and the advice and recommendations of the Finance and Operational Performance Committee and the Audit and Ethics Committee.
  - b. Oversight of the advisory bodies of the Global Fund, including review of evaluations and recommendations of such bodies, and annual performance assessments of such bodies based upon key performance indicators adopted by the SIIC.
  - c. The implementation of the strategic policies of the Global Fund, taking into consideration issues such as changes in the disease landscape, forecasted demand for Global Fund financing, and the overarching objectives of harmonization, alignment and long term sustainability.
  - d. The overall impact and effectiveness of Global Fund investments in health, including its market-shaping initiatives and strategic funding decisions.
  - e. Annual review of developments and trends in the disease landscape, taking into consideration issues such as epidemiological trends and the activities of partner organizations.
  - f. Annual review of the forecasted demand for Global Fund financing, based upon epidemiological trends and analyses presented by partners, advisory bodies of the Global Fund and the Secretariat.
  - g. The risk implications of the strategies and initiatives of the Global Fund, including strategic investment decisions and new funding platforms.

### **C. Composition**

3. The SIIC shall be comprised of the following members:<sup>1</sup>
  - i. Five representatives of the implementer bloc;
  - ii. Five representatives of the donor bloc;
  - iii. One non-voting, neutral Chair identified by the donor bloc;
  - iv. One non-voting, neutral Vice-Chair identified by the implementer bloc;
  - v. Two representatives of the non-voting, ex-officio members of the Board, each acting in a non-voting, ex-officio capacity;
  - vi. The Chair of the Technical Review Panel, acting in a non-voting, ex officio capacity; and
  - vii. The Chair of the Technical Evaluation and Reference Group, acting in a non-voting, ex officio capacity.
4. The Board Chair shall exercise a casting vote on the SIIC in instances in which the Committee is unable to take a decision.
5. Members of the SIIC shall be recommended by the Coordinating Group based upon constituency nominations and appointed by the Board. The Chair and Vice-Chair of the SIIC shall be selected by the Board Chair and Board Vice-Chair.
6. Members shall have qualifications and expertise in senior positions in the key areas of work of the Committee.

### **D. Term of Office**

7. The term of office of each member of the SIIC shall be two years until the appointment of his or her successor. The Chair and Vice-Chair of the Committee shall serve in this capacity for a term of two years until the appointment of their successors.
8. A member's appointment to the Committee may only be revoked by action of the Board on the recommendation of the Coordinating Group.

### **E. Reporting and Communication**

9. The SIIC and its constituent members report to are held accountable by the Board.
10. The Committee leadership of the SIIC shall interact regularly with and report to the Coordinating Group on the results of the Committee's deliberations, as well as any issues relevant to its business.
11. The SIIC shall prepare a report of its work for each meeting of the Board. The SIIC may also prepare ad-hoc reports as requested by the Board and/or Coordinating Group, which may relate to the inter-sessional activities of the Committee and its members.

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<sup>1</sup> The constituencies contained within the implementer bloc and donor bloc are identified based upon the description of the Board within the Bylaws (Article 7). The implementer bloc consists of the group encompassing the seven developing country seats, the two non-governmental organization seats, and the representative of a non-governmental organization who is a person living with HIV/AIDS or from a community living with tuberculosis or malaria. The donor bloc consists of the group encompassing the eight donor seats and the private foundation and private sector seats.

12. The SIIC may also from time to time consult with and/or communicate advice and recommendations directly to other Committees of the Board, with notice to the Coordinating Group.

**F. Rules of Procedure; Member Roles and Responsibilities**

13. The rules of procedure of the SIIC, including procedures for quorum and voting, and the roles and responsibilities of Committee members shall be as set forth under the Operating Procedures and the Board and Committee Member Roles and Responsibilities, respectively.

**G. Review of the Strategy, Investment and Impact Committee**

14. The SIIC shall undertake and submit to the Coordinating Group an annual review of its own performance. The Coordinating Group shall periodically review the output of the Committee, assess its effectiveness and make appropriate recommendations to the Board, in consultation with the Chair of the Committee, regarding its membership and functions.
15. This Charter may be amended from time to time by the Board.

Issued: [22] November 2011

**CHARTER OF THE  
FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE**

**A. Purpose**

1. The purpose of the Finance and Operational Performance Committee (the ‘FOPC’ or the “Committee”) of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the “Global Fund”) is to (i) provide oversight of the financial management of Global Fund resources; and (ii) ensure optimal performance in the operations and corporate management of the Secretariat.

**B. Functions**

2. The Board has delegated its authority to the FOPC to exercise the following powers and perform the following functions.

Decision-Making Functions

- 2.1 The FOPC shall exercise the following decision-making functions:
  - a. Adoption of key performance indicators and methodology for assessment of the financial management of Global Fund resources, based upon the performance assessment framework approved by the Board.
  - b. Adoption of key performance indicators and methodology for assessment of the performance in the operations and corporate management of the Secretariat, based upon the performance assessment framework approved by the Board.
  - c. Approval of asset and liability strategies to minimize exchange losses and preserve the capital value of the Trust Fund of the Global Fund, as well as any other account utilized by the Global Fund for the deposit of its resources.
  - d. Approval of and/or modifications to the Global Fund fiduciary control framework for grant management, to the extent consistent with applicable Board strategies and initiatives.
  - e. Modifications to Board-approved operational policies, to the extent consistent with applicable Board strategies and initiatives.
  - f. Approval of policy frameworks to guide development by the Secretariat of operational policies.
  - g. Approval of the risk-stratification matrix of the countries and territories in which the Global Fund makes grants, in accordance with the risk management strategy approved by the Board.
  - h. Approval of modifications to Board-approved human resources policies.

### Advisory Functions

- 2.2 The FOPC shall advise and make recommendations to the Board on the following:
- a. The multi-year budget and cash-flow projections of the Global Fund, based upon review by the FOPC of materials prepared by the Secretariat and the World Bank in its capacity as Trustee for the Global Fund.
  - b. Modifications to the policy frameworks governing the receipt and management of contributions to the Global Fund, including those concerning the trustee relationship with the World Bank and the contribution modalities available to donors.
  - c. Modifications to the Comprehensive Funding Policy and any other Board-approved policies governing the commitment of Global Fund assets for the approval of funding proposals.
  - d. Modification to the resource mobilization strategy of the Global Fund.
  - e. The approval by the Board of the annual audited financial statements of the Global Fund.
  - f. The approval by the Board of the annual operating budget of the Global Fund, including the component budgets for the Secretariat and the Office of the Inspector General (“OIG”), and approval by the Board of proposed operating expenditures that exceed the budget threshold approved by the Board.
  - g. The adequacy, efficiency and effectiveness of the fiduciary control framework for grant management and the risk management strategy adopted by the Board, and proposed material modifications to the risk management strategy.
  - h. Analyses undertaken by the FOPC at the request of the Coordinating Group of key risk areas.

### Oversight Functions

- 2.3 The FOPC shall have responsibility for oversight and review in the following areas:
- a. Oversight of the financial management of Global Fund resources, including annual review of (i) financial forecasts; (ii) annual audited financial statements; (iii) status of donor pledges and contributions; (iv) the activities of the World Bank in its capacity as Trustee for the Global Fund; and (v) financial management performance against key performance indicators adopted by the FOPC.
  - b. Oversight of the corporate management and operations of the Secretariat, including annual review of (i) the Secretariat’s risk assessment and management processes; (ii) the implementation by the Secretariat of recommendations by the external auditor and the OIG; and (iii) corporate management performance against key performance indicators adopted by the FOPC.
  - c. The annual expenditures of the Global Fund, including the Secretariat and the OIG, against approved budgets and work plans.

- d. The resource mobilization strategies, policies and activities of the Global Fund, including review of (i) the status and effectiveness of replenishment activities; (ii) engagement of private sector donors and development of innovative financing initiatives; and (iii) management of in-kind donations by the Global Fund.
- e. The adequacy, efficiency and effectiveness of the fiduciary controls and financial risk management of the Global Fund, including review of (i) the implementation of measures to incorporate into business practices the audit and investigation findings of the OIG; (ii) the fiduciary obligations of grant recipients; (iii) key risk areas as requested by the Coordinating Group; and (iv) Global Fund policies for sanctioning fraud and misuse of grant funds, including termination and suspension of grants.
- f. The adequacy and effectiveness of fiscal management policies and processes, including investment and foreign exchange hedging strategies, and policies governing the commitment of Global Fund assets.
- g. The development of strategies for enhancing value for money by improving productivity and efficiency at all levels of the organization and operation of the Global Fund.
- h. The corporate administrative policies and activities of the Secretariat, including human resources and insurance policies, involving consultation as appropriate with the Global Fund Ombudsman, representatives of Secretariat staff and Global Fund Legal Counsel.

### **C. Composition**

3. The FOPC shall be comprised of the following members: <sup>2</sup>
  - i. Five representatives of the implementer bloc;
  - ii. Five representatives of the donor bloc;
  - iii. One non-voting, neutral Chair identified by the implementer bloc;
  - iv. One non-voting, neutral Vice-Chair identified by the donor bloc; and
  - v. Two representatives of the non-voting, ex-officio members of the Board, one of which shall be the World Bank, with each such individual acting in a non-voting, ex-officio capacity.
4. The Board Vice-Chair shall exercise a casting vote on the FOPC in instances in which the Committee is unable to take a decision.
5. Members of the FOPC shall be nominated by the Coordinating Group and appointed by the Board. The Chair and Vice-Chair of the Committee shall be selected by the Board Chair and Board Vice-Chair.
6. Members shall have qualifications and expertise in senior positions in the key areas of work of the Committee.

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<sup>2</sup> The constituencies contained within the implementer bloc and donor bloc is identified based upon the description of the Board within the Bylaws (Article 7). The implementer bloc consists of the group encompassing the seven developing country seats, the two non-governmental organization seats, and the representative of a non-governmental organization who is a person living with HIV/AIDS or from a community living with tuberculosis or malaria. The donor bloc consists of the group encompassing the eight donor seats and the private foundation and private sector seats.



#### **D. Term of Office**

7. The term of office of each member of the FOPC shall be two years until the appointment of his or her successor. The Chair and Vice-Chair of the Committee shall serve in this capacity for a term of two years until the appointment of their successors.
8. A member's appointment to the Committee may only be revoked by action of the Board on the recommendation of the Coordinating Group.

#### **E. Reporting and Communication**

9. The FOPC and its constituent members report to and are held accountable by the Board.
10. The Committee leadership shall interact regularly with and report to the Coordinating Group on the results of the Committee's deliberations, as well as any issues relevant to its business.
11. The FOPC shall prepare a report of its work for each meeting of the Board. The Committee may also prepare ad-hoc reports as requested by the Board of Directors and/or Coordinating Group, which may relate to the inter-sessional activities of the Committee and its members.
12. The FOPC may also from time to time consult with and/or communicate advice and recommendations directly to other Committees of the Board, with notice to the Coordinating Group.

#### **F. Rules of Procedure; Member Roles and Responsibilities**

13. The rules of procedure of the FOPC, including procedures for quorum and voting, and the roles and responsibilities of Committee members shall be as set forth under the Operating Procedures and Board and Committee Member Roles and Responsibilities, respectively.

#### **G. Review of the Finance and Operational Performance Committee**

14. The FOPC shall undertake and submit to the Coordinating Group an annual review of its own performance. The Coordinating Group appointed by the Board shall periodically review the output of the Committee, assess its effectiveness and make appropriate recommendations to the Board, in consultation with the Chair and Vice-Chair of the FOPC, regarding its membership and functions.
15. This Charter may be amended from time to time by the Board.

Issued: [22] November 2011

## CHARTER OF THE AUDIT AND ETHICS COMMITTEE

### A. Purpose

1. The purpose of the Audit and Ethics Committee (the “AEC” or the “Committee”) of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the “Global Fund”) is to provide oversight of (i) the internal and external audit and investigation functions of the Global Fund; and (ii) the adherence by the Global Fund and its grant programs to appropriate standards of ethical behavior.

### B. Functions

2. The Board has delegated its authority to the AEC to exercise the following powers and perform the following functions.

#### Decision-Making Functions

- 2.1 The AEC shall exercise the following decision-making functions:
  - a. Approval of the key performance indicators and methodology for assessing the performance the Office of the Inspector General (“OIG”), based upon the performance assessment framework approved by the Board.
  - b. Approval of the OIG’s annual audit and investigation work plan, guidelines, processes and procedures.
  - c. Selection and appointment of the external auditor of the Global Fund and its terms of engagement, including remuneration and terms of reference, for ultimate approval by the Board.
  - d. Approval of approaches for (i) the release of OIG reports in accordance with the Disclosure Policy for Release of OIG Reports and other applicable Board-approved policies; and (ii) communication to stakeholders in response to OIG reports.
  - e. Approval of policies setting forth minimum standards for external auditors of grant recipients and policies describing the appropriate parameters for the scope of work of such auditors.
  - f. Approval remedial actions to be undertaken in response to deficiencies identified in ethical standards employed by the Global Fund and any ethics-related complaints received by the AEC and/or OIG.
  - g. Approval of waivers to permit participation by members of the governing, advisory and administrative bodies of the Global Fund in matters for which an actual or potential conflict of interest exists, in accordance with the process described in the Policy on Ethics and Conflict of Interest for Global Fund Institutions (the “Ethics Policy”).

- h. Approval of secondments of Global Fund employees, in accordance with the Ethics Policy.
- i. Appointment of members of the Sanctions Panel responsible for implementing the Sanctions Procedures Relating to the Code of Conduct for Suppliers, as well as any other applicable codes of conduct that may be approved from time to time.

#### Advisory Functions

- 2.2 The AEC shall advise and make recommendations to the Board on the following:
- a. The appropriateness of the scope of the mandate and functions of the OIG.
  - b. The appropriate tolerance to be exercised by the Global Fund in the management of fiduciary and ethical risks, as reflected within the risk management strategy adopted by the Board.
  - c. Analyses undertaken by the AEC at the request of the Coordinating Group of key risk areas.
  - d. The adequacy and effectiveness of Global Fund strategies and policies relating to the communication of OIG findings, with due consideration to the Global Fund's objectives of openness and transparency.
  - e. The adoption of and/or modification to (i) Global Fund strategies on ethical matters, including those pertaining to human rights, programmatic sustainability and the integrity of funding throughout the grant-making life-cycle and (ii) Board-approved ethical guidelines and standards, including the Ethics Policy and Whistle-Blowing Policies and Procedures.

#### Oversight Functions

- 2.3 The AEC shall have responsibility for oversight and review in the following areas:
- a. Oversight of the OIG, including annual review of (i) the OIG's performance against key performance indicators adopted by the AEC; (ii) the audit and investigation guidelines, processes and procedures of the OIG; and (iii) the appropriate allocation of resources to the OIG based upon OIG functions and deliverables.
  - b. Compliance by the OIG to applicable policies and procedures.
  - c. The identification of emerging risks and oversight of key risk areas as requested by the Coordinating Group, taking into consideration the audit and investigation findings of the OIG.
  - d. Compliance by the Global Fund to applicable policies and guidelines of ethical conduct including, but not limited to, the Ethics Policy and the Whistle-blowing Policy and Procedures.
  - e. Implementation of the codes of conduct arising from the Values and Integrity Framework.

- f. The adequacy of Global Fund systems and procedures to ensure adherence to adopted ethical standards, and the effectiveness of its compliance systems.

### **C. Composition**

3. The AEC shall be comprised of the following members:
  - i. Four independent members, one of whom shall serve as Chair; and
  - ii. Three representatives of Board constituencies, one of whom shall serve as Vice-Chair.
4. Members of the AEC shall be nominated by the Coordinating Group and appointed by the Board. The Chair and Vice-Chair of the Committee shall be selected by the Board Chair and Board Vice-Chair.
5. Members shall have qualifications and expertise in senior positions in the key areas of work of the Committee. Membership of the AEC should include a balance of representation with public and private sector experience.
6. The four independent members of the AEC shall serve in their personal capacity and shall not seek or accept instructions in regard to their performance on the Committee from any constituency of the Global Fund, including any government, organization or other authority, other than through action by the Board.
7. The four independent members of the AEC may receive an honorarium for their service as independent AEC members, as approved by the Board, in addition to travel expenses and per diems.
8. All independent members will be required to sign a declaration of independence.<sup>3</sup>

### **D. Term of Office**

9. The term of office of each member of the AEC shall be two years until the appointment of his or her successor. The Chair and Vice-Chair of the Committee shall serve in those capacities for a term of two years until the appointment of their successors.
10. A member's appointment to the AEC may only be revoked by action of the Board on the recommendation of the Coordinating Group.

### **E. Reporting and Communication**

11. The AEC and its constituent members report to and are held accountable by the Board.
12. The Committee leadership shall interact regularly with and report to the Coordinating Group on the results of the Committee's deliberations, as well as any issues relevant to its business.
13. The AEC shall prepare a report of its work for each meeting of the Board. The Committee may also prepare ad-hoc reports as requested by the Board and/or

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<sup>3</sup> Appendix I provides the criteria for independence and the declaration of independence.

Coordinating Group, which may relate to the inter-sessional activities of the Committee and its members.

14. The AEC may from time to time consult with and/or communicate advice and recommendations directly to other Committees of the Board, with notice to the Coordinating Group.
15. The Chair of the AEC shall meet regularly with the Inspector General (the “IG”), without members of the Secretariat being present, to discuss the remit of the IG and any issues arising from audits and investigations. In addition, the IG and Global Fund Legal Counsel, as the Global Fund Ethics Official, shall be given the right of direct access to the Chair and Vice-Chair of the AEC.

**F. Rules of Procedure; Member Roles and Responsibilities**

16. The rules of procedure of the AEC, including but not limited to procedures for quorum and voting, and the roles and responsibilities of Committee members shall be as set forth under the Operating Procedures and the Board and Committee Member Roles and Responsibilities, respectively.

**G. Review of the Audit and Ethics Committee**

17. The AEC shall undertake and submit to the Coordinating Group an annual review of its own performance. The Coordinating Group shall periodically review the output of the Committee, assess its effectiveness and make appropriate recommendations to the Board, in consultation with the Chair and Vice-Chair of the AEC, regarding its membership and functions.
18. This Charter may be amended from time to time by the Board.

Issued: [22] November 2011

**APPENDIX I  
TO THE CHARTER OF THE AUDIT AND ETHICS COMMITTEE**

**Criteria for independent members of the Audit and Ethics Committee**

1. Members of the governance, advisory and administrative bodies of the Global Fund (“Global Fund Officials”) may not serve as independent Committee members.<sup>4</sup>
2. In addition, a candidate will not be considered independent if he or she:
  - a. has been a Global Fund Official at any time within the last three years;
  - b. has within the last three years served in an elected or appointed position within the Government of a country represented through a constituency on the Board;
  - c. has been within the last three years an employee of a firm that has provided audit, assurance or other oversight services to the Global Fund;
  - d. has participated or attended deliberations of the governance, advisory and administrative bodies of the Global Fund within the last three years as a delegate for a constituency of the Board;
  - e. has been within the last three years an employee of a company or an organization that has directly or indirectly made payments to or received payments from the Global Fund in any of the last three calendar years in excess of the lesser of US\$500,000 or 2 per cent of the consolidated expenditures or revenues of the company or organization; or
  - f. holds any professional responsibilities that might infringe on her/his independence.

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<sup>4</sup> Global Fund Officials include, but are not limited to, Board members and alternates, members of Board Committees, members of the Technical Review Panel and other advisory bodies, and employees, consultants and contractors of the Secretariat and the OIG.

**Declaration of Independence of independent members  
of the Audit and Ethics Committee**

I declare to the best of my knowledge that having read the criteria for independence appended to the Charter of the Audit and Ethics Committee, I am eligible to serve as an independent member of that Committee.

I undertake to discharge my functions and responsibilities as a member of the Committee with the interests of the Global Fund alone in mind and I will not to seek or accept instructions in regard to the performance of these functions from any constituency of the Global Fund, including any government, constituent organization or other authority, other than through action by the Board.

Should there be any change in my relationship with the Global Fund with respect to the criteria for independence, I will immediately inform the Chair of the Global Fund Board.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

## TERMS OF REFERENCE OF THE COORDINATING GROUP

### A. Role and Functions

1. The Coordinating Group of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the “Global Fund”) provides a visible and transparent mechanism for coordination and collaboration between the Board and its Committees in regard to the Board’s governance, risk and administration functions. These governance functions involve tasks that require coordination and frequent discussions and collaboration.
2. The Coordinating Group carries out its work within the framework of the decision-making authorities of the Board, its Chair, and the Committees of the Board as set out in the Global Fund’s Bylaws, Committee Charters, and Operating Procedures.

### B. Areas of Work

#### *Oversight of Institutional and Leadership Performance*

3. Institutional performance: The Coordinating Group will support the Board’s core function of setting the Global Fund’s performance assessment framework in regard to the organization’s operational and financial performance through:
  - a. Monitoring/tracking routine oversight by the Board’s Committees of key performance indicators falling within the specific mandate of each Committee;
  - b. For key performance indicators that have a cross-cutting element, ensuring a high-level of inter-Committee collaboration to ensure the Board’s ability to assess overall corporate performance through a single information source; and
  - c. As required, making recommendations to the Board on possible adjustments to the performance assessment framework to strengthen Board and Committee oversight of performance.
4. Performance of the Board, Committees of the Board and advisory entities: The Coordinating Group will support the Board’s core function of undertaking routine, robust performance assessments of governance and advisory bodies through:
  - a. Supporting the Board’s annual performance assessment survey process of the Board, Committees of the Board, the Board Chair and Board Vice-Chair, and the Chairs and Vice-Chairs of Committees, based upon key performance indicators and methodologies adopted by the Coordinating Group that facilitate a self-review of performance against best-practice;
  - b. Supporting the routine performance assessment undertaken by the Strategy, Investment and Impact Committee of the Global Fund’s advisory bodies (including the Technical Review Panel, the Technical Evaluation Reference Group, and the Market Dynamics Advisory Group), drawing on self-assessment processes of the advisory bodies and best practice indicators for effective advisory bodies;



- c. Comparing the outcomes of routine performance assessments of the Board, its Committees and advisory bodies against previous performance assessments, and reporting to the Board on trends, and, as relevant, recommending to the Board measures to improve performance; and
  - d. On behalf of the Board, monitoring implementation of any measures adopted by the Board to enhance overall functioning and performance of the core governance and advisory bodies as required.
5. Performance assessment of the Board's direct reports: The Coordinating Group will support the Board's core functions of undertaking routine, robust performance assessments of the Executive Director and the Inspector General, and ensuring effective succession planning through:
- a. Supporting the process of the annual performance reviews of the Executive Director and the Inspector General based upon key performance indicators and methodologies determined by the Board Chair based on consultation with the Board, the Executive Director and the Inspector General, with a focus on ensuring annual benchmarking of performance over time; and
  - b. Managing any nomination, appointment and succession process developed by the Board from time to time.

### ***Risk Oversight***

6. The Coordinating Group will support the Board's core function in setting the Global Fund's overall risk management strategy through:
- a. Reviewing Board Committee oversight of the Secretariat's management of the Corporate Risk Register;
  - b. Ensuring cross-Committee collaboration and coordination in the identification and management of risks;
  - c. Making recommendations to the Board on potential modifications to the classification and definition of key risks, or adjustments to the corporate risk registry, based on emerging trends; and
  - d. Where requested by the Board, assigning new areas of risk oversight based on the mandate of the specific Committees.

### ***Effective Administration of Governance Processes and Systems***

7. Board priorities, agenda setting and communications: The Coordinating Group will support the effective and coordinated administration of the Board through:
- a. Supporting the Board Chair and Board Vice-Chair in priority-setting for the Board and its Committees, including alignment of Committee and Board work plans and agendas, and the comprehensive and rational assignment to specific Committees of oversight of Board strategies and initiatives;
  - b. Reviewing follow-up to Board and Committee decisions; and

- c. Instituting effective communication modalities for sharing information, advice and recommendations between the Board and the committees and amongst the Committees.
8. Appropriate documentation: The Coordinating Group will support the Board's goal of ensuring relevant and timely dissemination of relevant materials to members in a manner which facilitates timely application of the Global Fund's language policy and optimizes comprehension of the key issues for Board and Committee discussion and decision. Within this area of work, key tasks for the Coordinating Group include:
- a. Prioritizing preparation of reports to the Board and the Committees to ensure optimal use of resources in support of Governance structures; and
  - b. Setting standards for achieving an appropriate balance in length and simplicity of documentation to facilitate broad comprehension.
9. Budget management of core governance mechanisms: The Coordinating Group will work in close collaboration with the Secretariat in regard to the annual operating budget of the Board Chair and Board Vice-Chair, the Board, its Committees and advisory bodies as part of the regular budgeting cycle overseen by the Finance and Operational Performance Committee. Within this area of work, the tasks of the Coordinating Group will include reviewing and monitoring the resources afforded to the Board and its Committees to ensure such bodies receive adequate resources to perform their respective functions effectively.

### ***Constituency Functioning and Representation***

10. Attract, develop and retain talent: The Coordinating Group will support the Board's core function of attracting, developing and retaining Board talent through:
- a. Setting the framework for induction and continued learning initiatives provided to Board and Committee members through in-person and other means;
  - b. Facilitating continued engagement by Committee members on tasks related to key topic areas between Committee meetings; and
  - c. Supporting the Board Chair and Board Vice-Chair in the biennial Committee Chair and Vice-Chair selection process.
11. Strengthened Board constituency engagement: The Coordinating Group will support constituency engagement in governance processes through:
- a. Promoting transparent and rigorous processes for constituency selection of Board members, based in part upon membership guidelines adopted by the Global Fund;
  - b. Identifying and nominating Committee members for Board approval, through a competency-based nomination process based on experience, credentials and commitment to the organization by the Board Chair and Board Vice-Chair; and
  - c. Monitoring the use of constituency funding.

### **C. Composition and Term**

12. The Coordinating Group is comprised of the Board Chair and Board Vice-Chair, and the Chair and Vice-Chair of each of the Committees of the Board.
13. The Coordinating Group may invite the Executive Director, the Inspector General, leadership or members of advisory groups and/or technical experts to attend meetings and/or support Coordinating Group deliberations on matters directly related to the respective functions or expertise of such individuals.
14. Members of the Coordinating Group may not designate alternates to attend meetings or participate in deliberations of the Coordinating Group.

### **D. Reporting and Communication**

15. To facilitate effective collaboration and coordination with the Committees of the Board, Coordinating Group members shall regularly communicate feedback, advice and/or recommendations directly to the Committees of the Board.
16. To ensure transparency in its work, the Coordinating Group will make available at each Board meeting a summary of its key activities since the prior Board meeting, in addition to specific ad-hoc reports that the Board may request from time to time on key topics.

### **E. Quorum and Voting**

17. The Coordinating Group may only issue formal recommendations or undertake decisions when a majority of members are present.
18. The Coordinating Group shall use best efforts to make all recommendations and decisions by consensus. If all practical efforts by the Coordinating Group have not led to consensus, any member of the Coordinating Group may call for a vote. In order to pass, motions require a two-thirds majority of those present.

Issued: [22] November 2011