

35th Board Meeting

Final Report and Recommendations of the Transitional Governance Committee (TGC)

GF/B35/08
Board Discussion

PURPOSE: This document presents a summary of the work conducted by the Transitional Governance Committee (TGC) during its term from January 2015 – April 2016 and its recommendations for consideration.

I. Decision Point

1. The TGC does not present a decision point in this paper, however it does contain several reflections, observations and recommendations that it presents for Board information. The TGC also uses the opportunity of this paper to outline the developed approach for livestreaming of Board meetings for Board discussion and subsequent decision by Electronic Decision Point following the Board meeting.

II. Relevant Past Decisions

| Relevant past Decision Point | Summary and Impact |
|--|--|
| GF/B32/DP05: Approving the Governance Plan for Impact¹ | <p>The Board approved the creation of the Transitional Governance Committee (TGC) charged with the implementation of the recommendations from the Governance Plan for Impact including the oversight of key governance functions that were identified as missing or not currently being performed under the existing structures.</p> <p>This report represents the end of the mandate of the TGC and closes this decision point.</p> |
| GF/B34/EDP07: Enhanced Governance Structure | <p>The Board approved the establishment of an enhanced governance structure with the following three standing committees:</p> <ul style="list-style-type: none">i. Audit and Finance Committee;ii. Ethics and Governance Committee;iii. Strategy Committee; <p>This decision point will close upon the date of the first meetings of the three new standing committees.</p> |

III. Action Required

2. The Board discussion in April 2016 that follows from the information presented in this paper will serve as a basis to guide how to take forward the issues presented. For example:

3. Key recommendations from the document, as outlined in Annex 3, to be taken forward by the identified lead parties. The ECG should be responsible for monitoring the implementation of the recommendations emerging from this report.

4. Following discussion at the Board meeting, an electronic decision point will be issued for Board approval on livestreaming of Board meetings.

IV. Executive Summary

5. In January 2015, the TGC was established with a mandate to focus on the implementation of the recommendations from the ad hoc Working Group on Governance's Board approved Governance Plan for Impact. The TGC was charged with five key responsibilities:

- a. Oversee the key governance functions that were identified in the GPI as missing or not currently being performed under the existing structures;
- b. Develop a Performance Assessment Framework and oversee the process of performance assessments of the Board and committees, including assessments of leadership;
- c. Finalize the Enhanced Governance Structure for Board approval;
- d. Develop the key components of a comprehensive Governance Framework including guidelines for effective lifecycle and constituency management; and
- e. Through a consultative process, develop proposals on the Board's future size and composition.

6. The TGC developed a workplan divided into five work streams plus oversight activities: Governance Performance Assessment Framework; Enhanced Governance Structure; Board Size and Composition; Components of a Governance Framework; and Monitoring and Oversight Activities.

7. This report summarizes the work conducted by the TGC under these workstreams and their recommended actions forward.

8. **Governance Performance Assessment Framework:** The TGC developed a four-component Framework covering the performance assessments of the Board, its standing committees as well as Board and committee leadership. The Board approved this framework in September 2015. The TGC oversaw a streamlined assessment of the Board and committees in 2015 and presented the results to the Board during the 34th Board Meeting. The Board and committees were both assessed as "Fair" (60-69%). Based on the results of the assessment the Coordinating Group has developed a Performance Assessment Action Plan to incorporate the areas for improvement into the governance structures. The Coordinating Group, along with the new Ethics and Governance Committee will monitor the implementation of the action plan. The next steps include finalizing the full implementation of the Governance Performance Assessment Framework with the support of an external service provider, beginning with the assessment of the Board and its leadership following the 35th Board meeting. The framework is expected to be fully implemented by Q1 2017 after the new committees have been active for one year.

9. **Enhanced Governance Structure:** Based on the proposed model put forward by the Ad Hoc Working Group on Governance (WGG), the TGC presented an updated version of the three-committee structure with responsibilities allocated across a Strategy Committee (SC), Audit and Finance Committee (AFC) and an Ethics and Governance (EGC) committee. The Board approved this structure in January 2016, after which a call for committee leadership and members was launched. The selection process for committee leaders and members was updated to include a preliminary competency based review, which included an evaluation, by the TGC, of each nominee against the minimum criteria outlined in the Board Operating Procedures. The new committees will hold their first meetings in June 2016.

10. Board Size and Composition: Through a broad consultative process, the TGC reviewed various options around modifying the current Board size and composition in order to address issues emerging from a changing health and development landscape. With no clear option emerging from the July 2015 Board Retreat, the TGC engaged the Graduate Institute of Geneva to conduct an independent study and put forward some innovative options for Board consideration. The report was shared with the Board accompanied by an anonymous survey to gauge the Board appetite for change around the options proposed. Although, the Board identified that a change is required, no consensus or clear majority emerged around any of the options.

11. The TGC determined that while the Global Fund does have a clear strategy for the upcoming Strategic period 2017-2022, there is currently no shared vision across the constituencies on the future direction of the Fund if it succeeds in bringing about significant reductions in the epidemics as intended within the timeframe covered by the Strategy. Without a clear shared vision on the future direction of the Global Fund beyond the current Strategy, and with no clear majority within the Board on any of the proposed options for Board size and composition, the TGC determined it would be premature -- and probably counterproductive -- to recommend any radical restructuring of the Board at the current time.

12. Therefore, the TGC recommends that a discussion with stakeholders and the Board around the future direction of the Fund be included in the mid-point discussions on the implementation of the current strategy (estimated 2019-2020). Decisions to implement changes to the current constituency group structures, including voting practices, should also be revisited as part of these discussions.

13. Considering the lack of appetite for an additional donor seat and taking into account the way in which government donor seats are currently allocated, the TGC proposes that it is possible to accommodate new donors within the existing framework, while acknowledging that it might create some political challenges vis-à-vis existing donors.

14. Country Coordination Mechanisms (CCM) Matters: The TGC agreed with the WGG assessment that CCMs are not part of the Global Fund governance structure. CCMs, however, are important to the performance of the Global Fund, in particular the functioning of the grant portfolios. Based on certain observations identified in the audit report, the TGC identified a need for stronger awareness at the Board level of the overall effectiveness of the CCM model and a clear mechanism on how the Board can help to ensure that CCMs are successful in coordinating grant implementation and multi-stakeholder engagement in country.

15. As such, the TGC recommends more frequent committee discussion and evaluation of the implementation of the CCM Guidelines as well as associated performance of CCMs under the Strategy Committee. Furthermore, that the Ethics and Governance Committee (EGC), under its existing mandate, receive regular reports from the Secretariat on the performance of the CCMs in those activities related to their role as the local representative of the Global Fund partnership, and in modeling the principles of ethical behavior and transparency.

16. Key components of a Governance Framework: the TGC focused its work on four key elements: 1) Livestreaming of Board meetings; 2) Enhanced Implementer Engagement; 3) Board Members Lifecycle management; and 4) Constituency Management best practices.

- a. **Livestreaming:** The GPI identified secure livestreaming as a way to improve transparency around the discussions and decisions at the Board meetings.¹ The TGC has since engaged with the Secretariat to explore proposals for livestreaming Board meetings to Board constituencies. A clear benefit of livestreaming of the meetings would be improved communications and awareness of the discussions leading to the outcomes of the Board meetings for constituency members who were not in attendance at the Board meeting. The risks associated with livestreaming to a broader audience were also

¹ Though the GPI referenced instatement of livestreaming using the arrangements for the 29th Board meeting in June 2013 as the reference point, in that instance, video recordings were made available to Secretariat staff on a time-delayed basis.

acknowledged including that the internal deliberative process of the Board would become available to a broader audience, which could have an impact on the open nature of Board discussions and the additional resource implications. The TGC is recommending for Board discussion and subsequent decision by EDP that, where possible, Board meetings shall be livestreamed online as long as a single login and password is provided to each Board constituency. In the event that the Secretariat identifies reasons why a Board meeting should not or cannot be livestreamed, the TGC recommends that the meeting be videotaped and be available for secured viewing by Board constituencies if requested.

- b. **Enhanced Implementer Engagement:** Following the findings of the OIG Review in 2014 that there needs to be increased Implementer engagement at the Board, significant advancements have been made including increased funding allowing more pro-action within the Implementer Group, which has held an annual retreat and more group meetings in the sidelines of Board meetings. The African Constituency Bureau was created specifically to support the two African constituencies, who are aligning and coordinating to strengthen the input of the African constituencies into the overall governance of the Fund. Furthermore, the development of a three-year roadmap is included in the workplan for the Implementer Group for 2016.
- c. **Board Member Lifecycle management:** With input from the TGC, the OBA has developed and begun the implementation of a three step induction program for Board Members which includes: a Welcome package; Onboarding virtual sessions which cover the six core functions of the Board; and an informal “Meet and Greet” gathering at the Board meeting itself that provides new Board Members and Alternate Board Members the opportunity to engage with existing and experienced Board members as well as members of the Management Executive Committee (MEC). This induction program was initiated in Q1 2016 and will complete its first cycle during the 35th Board meeting.
- d. **Constituency Management Best Practices:** While the TGC fully recognizes the importance of providing constituencies with guidelines on best practices around key elements of constituency management, including the nominating and selecting of Board members, there was not sufficient time to address this work stream during the TGC’s term. As such, the TGC recommends that the EGC, with the support of the OBA, review and update the 2010 Guidelines Constituency Management Guidelines to reflect any evolution in best practices.

17. **Monitoring and Oversight:** in addition to the five major work streams, the TGC was also tasked with the oversight of any governance related matters occurring during the period of its tenure. As part of its routine activities the TGC focused on: Institutional Memory Management; Report with respect to the Global Fund’s legal status; Implementation of Cross-cutting model for KPI; and Risk

V. Background

18. In June 2014, the Office of the Inspector General (OIG) released its final report of the OIG advisory engagement to review the effectiveness and efficiency of the Global Fund governance.

19. Following the 31st Board Meeting in March 2014, the Board established an ad-hoc Working Group on Governance ((WGG) GF/B31/18) to conduct a review aimed to “identify and recommend for Board consideration possible changes in Global Fund governance systems”. The Board approved the Governance Plan for Impact (GPI) (GF/B32/08)), outlining the WGG’s final recommendations in November 2015. The GPI called for the creation of a Transitional Governance Committee (TGC) to oversee the implementation of the recommendations from the Report.

20. In January 2015, the TGC was established with a mandate to focus on the implementation of the recommendations from the GPI and were charged with five key responsibilities:

- a. Oversee the key governance functions that were identified in the GPI as missing or not currently being performed under the existing structures;
- b. Develop a Performance Assessment Framework and oversee the process of performance assessments of the Board and committees, including assessments of leadership;
- c. Finalize the Enhanced Governance Structure for Board approval;
- d. Develop the key components of a comprehensive Governance Framework including guidelines for effective lifecycle and constituency management; and
- e. Through a consultative process, develop proposals on the Board's future size and composition.

01 TGC Workplan

21. The TGC held its first meeting on 26 January 2015, during which it developed a detailed workplan around its key work areas. To guide the contents of the workplan, the TGC used the recommendation outlined in Annex 1 of the GPI (attached herewith as Annex 1). The TGC shared its workplan with the Board during a pre-day session at the 33rd Board Meeting in March 2015. The workplan divided the work of the TGC into five work streams with additional activities for monitoring and oversight. A summary of the key deliverables is provided in Table 1 below, see Annex 2 for the detailed workplan.

Table 1: Summary of TGC work streams and key deliverables

| Work stream | Key deliverables |
|---|---|
| Board and Committee Performance Assessment (including leadership) | <ul style="list-style-type: none"> ▪ Performance Assessment Framework for Board and committees, including overall assessment of governing bodies and their leadership. ▪ Oversee the process of performance assessments of the Board and committees and their leadership for presentation to the Board. ▪ Engagement of an external service provider to support the full implementation of the Board approved Governance Performance Assessment Framework. |
| Enhanced Governance Structure | <ul style="list-style-type: none"> ▪ Finalize the enhanced governance structure with re-aligned roles and responsibilities for Board approval. ▪ Support membership selection processes for new committees. |
| Board Size and Composition | <ul style="list-style-type: none"> ▪ Desk review / benchmark / assess and develop proposals on Board size, composition and voting structure. |
| CCM Matters | <ul style="list-style-type: none"> ▪ Review results from the 2015 OIG Review on CCMs and provide recommendations to the Board. |
| Components of a Governance Framework | <ul style="list-style-type: none"> ▪ Guidelines and tools for on-boarding and off-boarding of Board and committee leadership, and Board and committee members. ▪ Best practices for constituency management. ▪ Engagement with the Implementer Group as they develop a strategic roadmap to enhance Implementer engagement. ▪ Develop proposal for the piloting of livestreaming of Board meetings. |
| Monitoring and Oversight Activities | <ul style="list-style-type: none"> ▪ Production of Institutional Memory Management Tools by OBA. ▪ Review modifications to governance documents as required. ▪ Report outlining current compliance status. ▪ Implementation of cross-cutting model for KPI and Risk. |

22. Considering the heavy workload, the TGC allocated one TGC member as lead for each work stream (or key deliverable). While the work stream leads were responsible for the oversight of their work streams, the TGC used a collaborative and consensus based approach to determine the agreed actions and recommendations for presentation to the Board.

23. From January 2015 to April 2016, the TGC held 20 meetings including 16 virtual meetings and 4 in-person meetings and was able to complete the majority of the key deliverables under their mandate. The following sections provide further detail for each work stream including the overall objectives based on need or gaps identified, the activities or deliverables that have been completed to date, and any next steps or recommendations for Board decision or consideration.

02 Governance Performance Assessment Framework (Workstream 1)

24. In 2014, at the request of the then Board Leadership, the Office of the Inspector General (OIG) completed an in-depth review of the governance structure and systems in place at the Fund (Governance Review - GF-OIG-14-008). As an outcome of this review, the OIG identified that the Board did not have in place an established “framework to periodically assess governance and advisory bodies” as mandated by the Global Fund by-laws.

25. To address this gap, the TGC developed the Governance Performance Assessment Framework. The framework, consisting of the four components outlined in Figure 1 below, was approved by the Board in September 2015 (GF/B33/EDP18).

26. Following the approval of the framework, the TGC conducted a streamlined performance assessment of the Board and its standing committees as well as the committee leadership. As outlined in Figure 1 below, the assessments consisted of a 360° survey for the Board and the committees, and was sent to Board Members, Alternate Board Members, Focal Points, committee members, the Management Executive Committee (MEC), Office of Board Affairs (OBA), the Inspector General and key Secretariat staff.

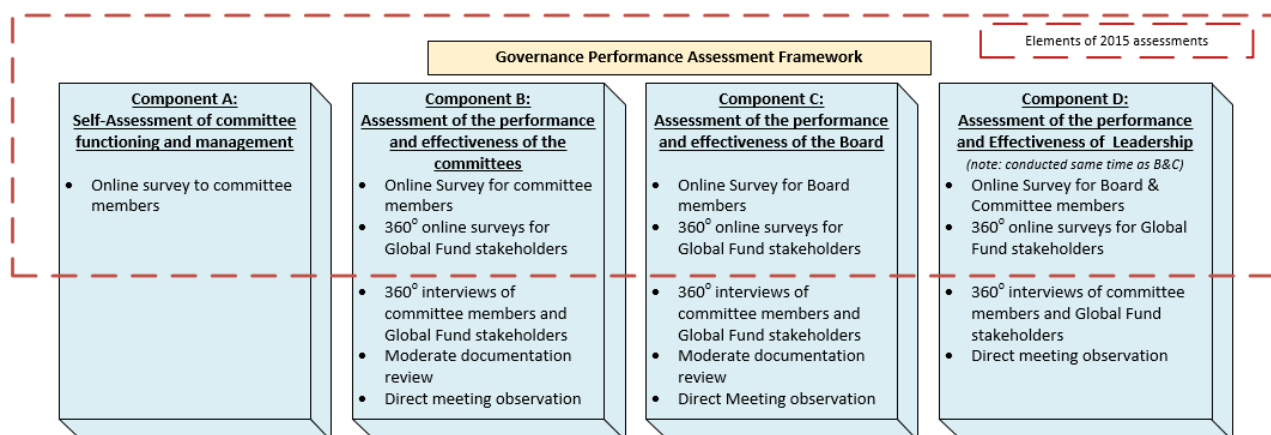


Figure 1: Board approved Governance Performance Assessment Framework

27. The assessment of the Board covered the period of the 32nd and 33rd Board meetings (March 2014 - April 2015). The assessment of the committees covered the meetings held in 2015. Results of the assessment were compiled by the TGC and shared with the Board at the 34th Board meeting in November 2015.² Both the Board and the committees were assessed as “Fair” with identified areas for improvement.

| | |
|-------------------|--------|
| Excellent | 80%+ |
| Satisfactory | 70-79% |
| Fair | 60-69% |
| Needs Improvement | 50-59% |
| Poor | <50% |

28. The Coordinating Group developed a Performance Assessment Action Plan (Action Plan) to address the main issues emerging from the assessments. The Action Plan is included in the Coordinating Group report to the Board and its implementation will be jointly monitored by the Coordinating Group and the new Ethics and Governance Committee (EGC).

29. In order to fully operationalize the framework, a competitive process is currently underway to identify an outside organization to support its full implementation. The selected provider, working alongside the OBA, will review existing tools and processes and make modification required to fully implement the framework. These will be presented to the EGC for approval at their fall meeting (est. Sept/Oct 2016).

30. In the interim, the OBA will circulate the 360° survey to key stakeholders to assess the Board and its leadership in May 2016 following the 35th Board meeting. This analysis will cover the 34th and 35th Board meetings and the first full year term of the current Board Leadership. Results will be compared to the previous period’s assessment to identify any trends in improvement or emerging weaknesses. A report of findings will be shared with the new EGC during their first meeting in June 2016.

31. The next assessment of the committees under the Enhanced Governance Structure (outlined in the section below) is scheduled for April/May 2017 after the new committees will have been active for a full year.

32. The full framework is anticipated to be fully in place and part of standard practice from 2017 onwards.

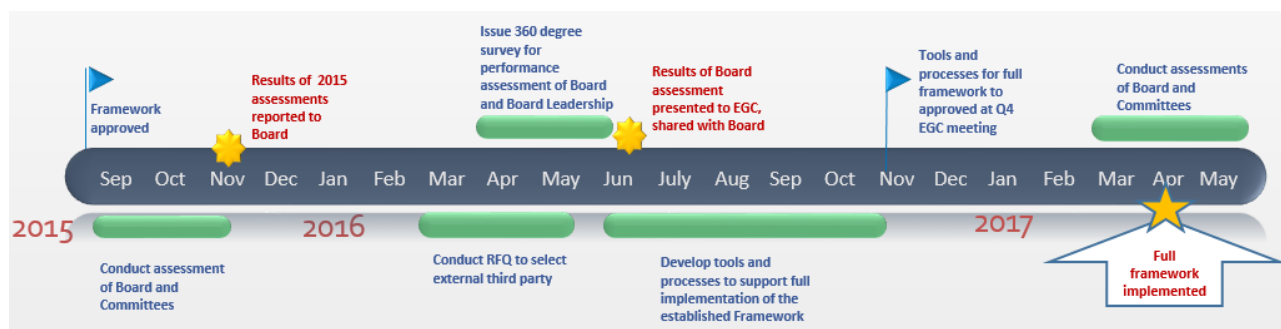


Figure 2: Timeline for implementation of Governance Performance Assessment Framework

03 Enhanced Governance Structure (Workstream 2)

Enhanced Governance Structure

33. The Governance Plan for Impact acknowledged that the committee structure established in 2011 facilitated many improvements such as the allocation of responsibilities across three committees (AEC, FOPC, SIIC) through delegated authority, and a designated body (Coordinating Group) to ensure coordination between the committees. However, the WGG identified that there were gaps such as key governance functions that had been allocated but not performed, as well as key governance functions that had not been allocated

² http://www.theglobalfund.org/documents/board/34/BM34_04-TGCSummaryResultsofPerformanceAssessment_Report_en/

within the structure. To address these gaps, the WGG recommended and the Board approved, the finalization of an “Enhanced Governance Structure” composed of the following three new committees:

- a) Audit and Finance Committee (AFC);
- b) Ethics and Governance Committee (EGC); and
- c) Strategy Committee (SC).

34. The TGC deliberated on the recommendations around the development of the Enhanced Governance Structure and reviewed what modifications would be needed with respect to the allocation of functions and responsibilities across the three standing committees. Furthermore, it outlined additional questions related to the size and composition of the committees pertaining to membership matters.

35. To further support its discussions, the TGC launched a survey among Board constituencies and presented the results at the July 2015 Board Retreat (Retreat) along with its recommended re-allocation of responsibilities to each of the new committees. The survey confirmed the Board’s continued desire to move towards an enhanced committee structure. Discussions during and following the Retreat supported the TGC’s recommendation to combine internal and external audit functions into the Audit and Finance Committee (a modification to the allocation proposed by the WGG).

36. The survey results confirmed the necessity to adapt rules and processes from previous rounds of governance reforms that had created unintended consequences, gaps and inconsistencies in the existing Operating Procedures. Before finalizing its recommendations, the TGC requested additional input from the Board and Coordinating Group in October 2015 on: a) two options for the size and composition of the new committees; b) matters related to independent committee members; and c) any additional final feedback on the overall TGC recommendation on committee structure, size and composition.

37. Based on feedback received and through the TGC’s own analysis, the TGC presented its updated structure at the 34th Board meeting for Board approval. During the discussions, several revisions to the proposed documents were requested by constituencies including a provision that a Board Member or an Alternate Board Member of each constituency could attend committee meetings as an observer. Additionally, that the allocation of tasks previously within the mandate of the Coordinating Group be mandated to the EGC in order to consolidate the oversight of governance functions into one committee.

38. Following the Board meeting, the TGC incorporated the revisions discussed at the Board and presented the revised documents for Board approval (GF/B34/ER08) including:

- a) The Charter of the Audit and Finance Committee
- b) The Charter of the Ethics and Governance Committee
- c) The Charter of the Strategy Committee
- d) The amended and restated Terms of Reference of the Coordinating Group
- e) The amended and restated By-laws
- f) The amended and restated Operating Procedures of the Board and Committees

39. The Board approved the Enhanced Governance Structure and its supporting documents on 28 January 2016 (GF/B34/EDP07).

Committee Leadership and Membership Selection

40. Following this approval, the Board Leadership launched a call for nominations for the Chair and Vice-Chair positions for each of the new committees. As agreed at the 34th Board meeting, the process for the nomination and selection of committee members was modified to include a preliminary competency-based review by the TGC as in line with the TGC's mandate. Each nominee was assessed to determine whether they met the minimum competencies for the relevant committee as outlined in the Board Operating Procedures. The addition of this step addresses the issue identified by the OIG that some committee members, while being highly competent in other technical areas, did not possess the required skill set to perform their committee-mandated responsibilities. The TGC neither ranked nor recommended the selection of candidates to be presented for Board approval, as this remains fully under the purview of the Board Leadership in consultation with the Coordinating Group.

41. The candidates presented to the Board Leadership for the leadership of the new committees were approved by the Board in March 2016, and attended the final meetings of the existing committees to facilitate the handover process.

42. The call for membership of the committees is currently ongoing with constituencies having until 19 April 2016, to nominate candidates for the three new committees. The TGC is conducting the preliminary competency-based review for the incoming constituency based nominations. The process for identifying independent members is being supported by an external search firm, through a broad external call for applicants. The applicants will be short listed through an advisory panel selected through the Board Leadership and will consist the incoming Chairs of the AFC and ECG, a World Bank representative, AFC members and the Chair or Vice-Chair of another relevant committee in an international organization, OR a suitable candidate from a relevant private sector industry based in the Geneva area. When the short list has been established, the Board Leadership will propose three independent nominees for Board approval. The TGC Chair will review the summary report to assure that the pre-agreed and due process to nominate and select the three candidates was duly followed.

43. This responsibility will fall under the mandate of the EGC for future committee membership selection processes. As such, lessons learned have been recorded by the TGC and Board Leadership, and the tools and process used for this new process will be standardized by the OBA for the next round of selections.

04 Board Composition and Size (Workstream 3)

44. A summary report with in-depth detail on the work undertaken by the TGC and its subsequent recommendations will be provided as a separate document to the Board for input during the 35th Board meeting (GF/B35/17).

45. As part of its overall governance reforms, the Global Fund has considered the overall effectiveness of its Board composition to address issues emerging from a changing health and development landscape. In order to remain relevant in these changing times, the Global Fund needs to be flexible, effective and attractive to new and existing donors.

46. It is in the context of these needs that the Board, based on the work of the WGG, charged the TGC to undertake an in-depth analysis of the current Board composition and structure, and to present recommendations for Board consideration on how to address the challenges identified above.

47. The TGC initiated this consultative process at the Board Retreat (Retreat) held in Geneva in July 2015, where the TGC sought feedback from the Board as to whether "changes in the global landscape since the

establishment of the Fund be reflected in the size and composition of the Global Fund Board?”³ While discussions were comprehensive and constructive at the Retreat, no clear direction on the future size and composition of the Board emerged.

48. Following the Retreat, the TGC, through the Global Fund Secretariat, commissioned an independent study by the Graduate Institute Geneva (“Graduate Institute”) to review the current governance structure of the Global Fund and to suggest some innovative options for Board consideration. The Graduate Institute report proposed both long and short-term options for Board consideration.

49. The TGC issued an anonymous survey to Board constituencies alongside the release of the report in order to allow constituencies the opportunity to move away from a formal Board position and provide the TGC with candid indications of areas of common ground, so as to determine the scope of the Board’s appetite for change as well as the degree of support for any of the options provided.

50. The TGC deliberated the findings of the survey, alongside the report prepared by the Graduate Institute as well as feedback received through electronic and oral discussions with Board constituencies.

51. The TGC determined that while the Global Fund does have a clear strategy for the upcoming Strategic period 2017-2022, there is currently no shared vision across the constituencies on the future direction of the Fund if it succeeds in bringing about significant reductions in the epidemics as intended within the timeframe covered by the Strategy. Without a clear shared vision on the future direction of the Global Fund beyond the current Strategy, and with no clear majority within the Board on any of the proposed options for Board size and composition, the TGC determined it would be premature -- and probably counterproductive -- to recommend any radical restructuring of the Board at the current time.

52. While deciding not to recommend any immediate changes to the Board composition and size, the TGC considers that some key actions are necessary to ensure that the Board continues to build on the discussions, including the importance of discussing and developing a shared vision for the future of the Fund moving towards 2030. This vision would be in line with the UN Sustainable Development Goals (SDGs). Therefore, the TGC recommends that a discussion with stakeholders and the Board around the future direction of the Fund be included in the mid-point discussions on the implementation of the current strategy (estimated 2019-2020). Decisions to implement changes to the current constituency group structures, including voting practices, should also be revisited as part of these discussions.

53. Discussions in the Board, and within the Donor Group, clearly show that the Fund strongly favors welcoming new government and other donors. Taking into account the way in which government donor seats are currently allocated, the TGC proposes that it is possible to accommodate new donors within the existing framework, while acknowledging that it might create some political challenges vis-à-vis existing donors.

05 Country Coordination Mechanisms (CCM) Matters (Workstream 4)

54. As part of the WGG’s final report, the WGG flagged that while CCMs are not recognized as part of the governance structure at the Global Fund, the CCMs do play an important role in the coordination of grant portfolios in country. Responsibility for oversight of CCM matters have remained with the standing committee responsible for grant portfolio operations (e.g., Portfolio Implementation Committee (PIC), SIIC).

55. Drawing from the WGG report, the TGC felt that since the Board approved the revised Guidelines and Requirements for Country Coordinating Mechanisms (the “CCM Guidelines”) in May 2011, there has been insufficient monitoring of implementation and performance despite prior Board decisions noting that

³ Note on Size, Composition and Structure of the Board: Key issues for consideration, Global Fund Board Retreat 29-30 July 2015

oversight and development of the CCM Guidelines and CCM performance frameworks were delegated to the PIC, and then inherited by the SIIC under the 2011 governance reforms.

56. Coinciding with the work of the TGC, the OIG, as part of its 2015 workplan, was conducting an audit of CCMs, specifically reviewing the role and effectiveness of the CCMs. The TGC reviewed the audit findings in helping determine its recommendations for the Board.

57. To avoid duplication and to determine whether the audit being conducted by the OIG would respond to the needs of the TGC, the TGC met with the team from the OIG prior to the start of the audit and identified their key areas of interest. It was determined that the scope of the audit sufficiently covered the key areas of interest for the TGC. Additionally, the OIG requested TGC input into the questionnaire on CCM operations to be used during the audit.

58. To inform the Audit Report on the Global Fund Country Coordinating Mechanism (GF-OIG-16-004)⁴, the OIG reviewed key documents from a representative sample of 50 CCMs as well as data in seven countries (Ghana, Honduras, Indonesia, South Sudan, Tanzania, Pakistan and Uzbekistan) that were part of the 2015 annual audit plan. The OIG also received more than 800 responses to questionnaires and interviewed over 200 people from the Board and its committees, CCMs, Global Fund Secretariat staff, implementers and eight development partners.

59. Following receipt of the audit report, the TGC structured its discussion around two key questions:

- 1) Do CCMs have a formal place in the Global Fund governance structure? and
- 2) Is oversight of CCM governance matters sufficiently covered in the current governance structure, and if not, where should this sit in the new enhanced committee structure?

60. The TGC agreed with the WGG assessment that CCMs were not a part of the Global Fund governance structure, but agreed however, that CCMs do have a key role and are important to the performance of the Global Fund, in particular the functioning of the grant portfolios. Based on certain observations identified in the audit report, the TGC identified a need for stronger awareness at Board level of the overall effectiveness of the CCM model and a clear mechanism for how the Board can help ensure that CCMs are successful in coordinating grant implementation and multi-stakeholder engagement in-country.

61. In order to ensure that the Board is aware of the performance of the CCMs, the TGC identified two methods for how CCM matters could be monitored under the governance structure. The first would consist of the Strategy Committee (SC) exercising its advisory and oversight responsibilities with regards to grant portfolio operations to ensure the Secretariat provides regular updates on the implementation of the CCM Guidelines and associated performance of CCMs. Lessons learned or other observations could be developed into future recommendations to the Board by the SC.

62. Secondly, the TGC recognized that the CCM also plays a key role in representing the Global Fund Partnership at country level and of modelling the Global Fund principles of ethical behavior and transparency. Given the importance of these elements, the inclusion of regular reporting on how the CCMs are performing these roles under the governance oversight functions of the EGC, would secure a place in the governance structure for these areas of CCM matters and would highlight the importance the Global Fund places on the performance of the CCMs across all areas of their operations.

63. As the inclusion of these functions falls under the delegations of responsibility previously agreed by the Board, their addition would not require further amendments to the recently approved committee structure.

⁴ http://www.theglobalfund.org/en/oig/updates/2016-02-25_Audit_of_the_Global_Fund_s_Country_Coordinating_Mechanism/

64. As such, the TGC recommends regular committee discussion and evaluation of the implementation of the CCM Guidelines as well as the associated performance of CCMs under the Strategy Committee (SC). Furthermore, that the Ethics and Governance Committee (EGC), under its existing mandate, receive regular reports from the Secretariat on the performance of the CCMs in those activities related to their role as the in-country representative of the Global Fund partnership and in modeling the principles of ethical behavior and transparency.

06 Key components of a Governance Framework (Workstream 5)

65. A strong governance framework comprises many components that are interdependent on each other to support the Global Fund in meeting its strategic objectives. Based on the outcomes of the GPI, the TGC focused its work on four key elements: 1) Livestreaming of Board meetings; 2) Enhanced Implementer Engagement; 3) Board Members Lifecycle management; and 4) Constituency Management best practices.

Livestreaming

66. The GPI identified secure livestreaming as a way to improve transparency around the discussions and decisions at the Board meetings.⁵ The implementation of livestreaming was discussed during the 32nd Board meeting in November 2014, and resulted in the Board agreeing to amend Article 4.2 of the Operating Procedures to the following provision (amended language bold and underlined): “In general, there will be video transmission of Board proceedings to a controlled-access room, **or through password-protected online streaming**, for use by the additional constituency delegation and Global Fund Secretariat members who do not have access to the Board meeting room unless the Board decides to meet in closed Executive Session.”⁶

67. The TGC has since engaged with the Secretariat to explore proposals for livestreaming Board meetings to Board constituencies.

68. The TGC determined that a clear benefit of livestreaming of the meetings beyond delegates to Board meetings and Global Fund Secretariat staff without access to the Board meeting plenary, would be improved communications and awareness of the discussions leading to the outcomes of the Board meetings for constituency members who were not in attendance at the Board meeting. It was felt that this would be especially beneficial for those constituencies whose membership is made up of many countries or organizations.

69. To further explore this option, the TGC worked with the Global Fund IT team to explore the feasibility of livestreaming and to explore various access options ranging from unsecured streaming to individual password access to the streamed video. The potential ‘chilling’ effect on Board discussion, and the dissemination of internal deliberative process, remains in all cases of livestreaming, with the risk and its impact likely to rise as the scope of access increases.

⁵ Though the GPI referenced instatement of livestreaming using the arrangements for the 29th Board meeting in June 2013 as the reference point, in that instance, video recordings were made available to Secretariat staff on a time-delayed basis.

⁶ The amended provision is unchanged, but now set forth as Article 6.2 in the amended and restated Operating Procedures of the Board and Committees that the Board approved in January 2016 (GF/B34/EDP07).

| Access options | Dependencies | Equipment Resource Requirements | Risks |
|--|---|---|---|
| Open access (streamed to public, no password) | Quality of internet connection (limitation for some countries with low bandwidth) Availability of equipment/service provider | Video equipment and operators plus format conversion software (service provider) Streaming provider (host) Additional IT member on site to manage livestreaming | No limitations on who can connect to the livestream |
| Constituency Open Access – common login and password that can be shared with any members of constituency | Same as above | Same as above Dedicated portion of OBA staff time to management of access to livestreaming (limited) | Common password means that it can be shared with anyone and access cannot be tracked |
| Constituency limited access – unique password to be provided upon request for access. | Same as above | Same as above Dedicated individual for the creation and management of passwords and monitoring access to livestreaming | Individual passwords allow for monitoring access and limiting to specific individual. Does not prevent others from being in the room when video is accessed. |

70. On a positive note, all options would provide increased transparency around the discussions at the Board meeting, however no option could ensure that access would be completely limited to members of the constituencies and not the broader public. Additionally, under each option, the internal deliberative process of the Board would become available to a broader audience. Increasing security around the password, (controlling access through unique passwords per IP address, registered devices or single use logins etc.) would allow for a more secure livestream but would also require increased resources to coordinate the access and monitoring requirements and would not guarantee that only constituency members would access the livestream.

71. At the request of the OBA, the IT team explored the feasibility of livestreaming from the site of the 35th Board meeting in Abidjan. The IT team advised that livestreaming from Abidjan would be quite challenging due to insufficient bandwidth which would not allow for smooth streaming. Additionally, as with any Board meeting held outside Switzerland, a local provider would need to be identified to provide the equipment and operators needed to livestream.

72. It was identified, however, that livestreaming meetings held in Switzerland would be feasible and would be estimated at approximately 4,000 CHF per day. The cost of livestreaming a Board meeting outside Switzerland will be heavily dependent on where the meeting is held and the availability of the needed equipment and services. While firm quotations have not been requested, the estimated cost for livestreaming outside Switzerland is approximately 8-15,000 CHF per day factoring in the additional resources required. The

resource implications in terms of cost and staff time will increase depending on the level of security implemented.

73. In light of their discussions, the TGC determined that livestreaming the Board meetings was in line with the Global Fund's commitment to transparency and encourages it, where possible, but recognizes that technical, cost, security and accessibility issues may not make it feasible in many instances.

74. **As such, the TGC recommends** for Board discussion at the 35th Board Meeting and subsequent decision via EDP to be issued following the Board meeting **that, where possible, Board meetings shall be livestreamed online provided a single login and password is provided to each Board constituency. In the event that the Secretariat identifies reasons why a Board meeting should not be livestreamed, such as technical or accessibility issues similar to those flagged for the Abidjan meeting or cost considerations, the TGC recommends that the meeting be videotaped and be available for secured viewing by Board constituencies if requested. Following the Board discussion, the relevant revisions to the Operating Procedures will accompany the EDP for Board approval.**

Enhanced Implementer Engagement

75. Following the findings of the OIG Review in 2014 that there needs to be increased Implementer engagement at the Board, significant advancements have been made including increased funding allowing more pro-action within the Implementer Group, which has held an annual retreat and more group meetings in the sidelines of Board meetings. The African Constituency Bureau was created specifically to support the two African constituencies, who are aligning and coordinating to strengthen the input of the African constituencies into the overall governance of the Fund.

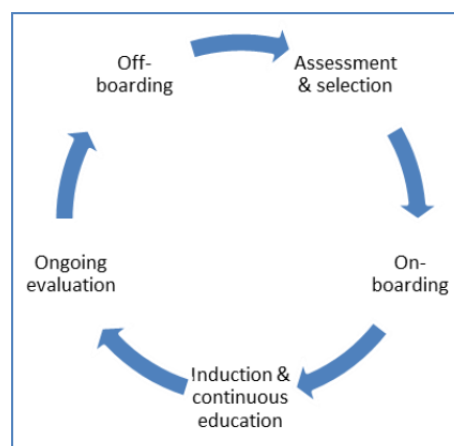
76. The GPI recommended that the Implementer Group develop a Strategic Roadmap to enhance implementer engagement, and the development of a three-year roadmap is included in the workplan for the Implementer Group for 2016.

77. To enhance and continue strengthening the engagement of the Implementer Group, the Coordinating Group has proposed amendments to the 2010 Constituency Funding Policy so as to align the policy with current practice, streamline processes and provide for the inclusion of a costed workplan. In line with feedback from the Implementer Group, and based on lessons learned over the first five years of the policies implemented, as well as the results of the Advisory Report on the adequacy of the resources available to the Implementer Group, the Coordinating Group is seeking FOPC feedback how best to ensure predictability of funding and multi-year work-planning. Following FOPC feedback, the updated policy will be shared with the Board for consultation and electronic approval after the 35th Board meeting.

Board Member Lifecycle Management

78. As part of its mandate, the TGC was tasked with addressing the gap identified in the lifecycle management processes for Board members. Both the 2014 OIG report and the 2015 Board performance assessments identified that Board inductions had been undertaken either in an ad hoc fashion or not at all.

79. With input from the TGC, the OBA has developed and begun the implementation of a three step induction program for Board Members which includes:



- A Welcome package outlining the structure and key responsibilities of Board Members, including the responsibility to act in the best interest of the Global Fund in the execution of a Board delegate's duties. *Figure 3: Board Member lifecycle stages*
- Onboarding virtual sessions which cover the six core functions of the Board; the relevant responsibilities and any key items coming up at the next Board meeting; and key areas of operations – including the Funding Model as well as the assurance mechanisms (Risk, OIG) in place at the Global Fund.
- An informal “Meet and Greet” gathering at the Board meeting itself that provides new Board Members and Alternate Board Members the opportunity to engage with existing and experienced Board members and members of the Management Executive Committee (MEC).

80. This induction program was initiated in Q1 2016 and will complete its first cycle during the 35th Board meeting.

81. In relation to the five stages of the lifecycle management of a Board Member outlined in Figure 3 above, four stages have been fully addressed through the work of the TGC and the OBA. The last remaining stage of “Off Boarding” will be developed and implemented by the OBA prior to the 36th Board meeting.

Constituency Management Best Practices

82. While the TGC fully recognizes the importance of providing constituencies with guidelines on best practices around key elements of constituency management, including the nomination and selecting of Board members, there was not sufficient time to address this work stream during the TGC's term.

83. As such, the TGC recommends that the EGC, with the support of the OBA, review and update the 2010 Guidelines Constituency Management Guidelines to reflect any evolution in best practices.

07 Monitoring and Oversight Activities

84. In addition to the five major work streams, the TGC was also tasked with the oversight of any governance related matters occurring during the period of its tenure. As such, the TGC engaged with the OBA, Legal and the Coordinating Group on the four areas outlined below.

Institutional Memory Management

85. Much progress took place in this area over the past year with the development and improvement of key processes and tools to track and monitor Board responsibilities and decisions, and to ensure that Board decisions are effectively monitored. The OBA has analyzed all Board decisions from 2011 to date, to enhance tracking and monitoring to ensure that decisions have been adequately implemented. Board decisions have been classified and contextualized against other decisions through the use of a web-based database which facilitates enhanced contextualization of past Board decisions, including links to relevant supporting documentation. Board and committee templates were updated to include a section on relevant past decisions, to ensure that Board decision-making is informed by relevant institutional history. Additionally, and as required by the GPI, an annual report on the status of decisions was shared with the Board at its 34th meeting, and a status update will be provided at the 35th meeting. See Annex 4 for further detail on these and other enhancements.

Review modifications to governance documents as needed

86. During its term, the TGC provided its recommendations on modifications to Global Fund governing documents on three occasions: 1) revision to governing document (GF/B34/EDP21) as part of the Enhanced Governance Structure; 2) recommending the streamlining of a various governance processes; and 3) proposing changes to the Operating Procedures around livestreaming.

Report with respect to the Global Fund's legal status

87. Work related to the granting of privileges and immunities to the Global Fund was placed under the mandate of the Privileges and Immunities Advisory Group (PIAG) and therefore is not covered within this report. Since the PIAG's inception, it has reported to the Board through the AEC and FOPC. Under the enhanced governance structure, the Ethics and Governance Committee (EGC) has oversight responsibility with respect to the acquisition of privileges and immunities for the Global Fund as well as an advisory responsibility with respect to legal status matters that may warrant Board attention.

88. As an international financing institution duly formed as a Swiss foundation, the Global Fund acts under its internal legislation set by, or derived from, policies approved by the Board and in some instances voluntarily adheres to Swiss foundation regulations. Policies are generally developed under the oversight of the standing committee mandated with the relevant area of responsibility (e.g., the Comprehensive Funding Policy under the FOPC, and the AFC following the 35th Board meeting in April 2016), which then set the framework by which Global Fund operations follow and comply. Under the new Enhanced Governance Structure, the EGC presents a standing committee for oversight and discussion of any emerging issues concerning the Fund's legal status, and the respective responsibilities of the standing committees in establishing and overseeing relevant policy frameworks.

Implementation of Cross-cutting model for KPI and Risk

89. As part of the GPI, the Board adopted a model for the management of cross-cutting issues, such as Key Performance Indicators (KPIs) and Risk Management. While this model was implemented in 2015, with risk management and KPIs being discussed at the relevant committee meetings, and within the Coordinating Group, this area was identified by the TGC as still requiring additional improvement that was identified in the feedback received from the Board and committee performance assessments. The terms of reference of the Coordinating Group were amended as part of the Enhanced Governance Structure, to further highlight the key role of the Coordinating Group of ensuring that cross-cutting issues are being properly addressed and managed by each of the committees, and that there is effective coordination that enable such issues to be effectively rolled up to the Board. The amendments were implemented in the Coordinating Group's workplan in 2015.

VI. Conclusion

90. Due to the sensitive nature of some of the tasks included in its mandate, the TGC sometimes faced difficult conversations and decisions, both amongst the TGC members themselves and whilst trying to balance the differing views between the Board constituencies. Despite these challenges, the TGC remained committed to the overall improvement of the Global Fund governance and addressing the key gaps and weaknesses identified. While not able to fully achieve every recommendation put forward, the collective outcome of the TGC's work is a stronger and more comprehensive Global Fund governance structure, supported by many key practices and processes, which were not in place at the beginning of its mandate. To ensure that this work is carried forward, Annex 3 provides a table of considerations that warrant further discussion and lists the key follow-up actions required and the party responsible for overseeing further implementation.

91. As the TGC ends its mandate, it leaves the Global Fund governance structure more fully inclusive and better able to support the Global Fund to achieve its strategic objectives and the elimination of HIV, TB and Malaria as epidemics.

Annex 1 – Table of recommendations from Governance Plan for Impact

| Doc Section # | Recommendation Area | Recommendation/Deliverable | Start Date | Lead |
|---------------|-------------------------------|--|-------------------|--|
| 5.11-5.16 | Improved Governance Functions | The Global Fund move to an enhanced governance structure which includes a reconfigured committee structure with a re-alignment of responsibilities around a logical clustering of the skills required and the six core functions of the Board and includes the governance functions not currently allocated in the system. The realigned three-committee structure includes Ethics and Governance, Audit and Finance, and Strategy and Operations committees. | April 1, 2016 | Board |
| 5.17-5.25 | Improved Governance Functions | <p>A Transitional Governance Committee should be put in place until the end of the present committee terms with four key responsibilities:</p> <ol style="list-style-type: none"> 1. Oversight of the key governance functions and advise the Board thereon. 2. Develop a Performance Assessment Framework and oversee the process of assessments of the Board and committees, including assessments of leadership. 3. Finalize the Enhanced Governance Structure for Board approval, including updated roles and responsibilities and three-committee structure 4. Develop the key components of a comprehensive Governance Framework for Board approval. 5. Through a consultative process, develop proposals on the Board's future size and composition in the context of a changing global economic and development landscape as outlined in Annex 9. | November 22, 2014 | Board Leadership/Transitional Governance Committee |

| | | | | |
|------|--|---|-----------------------------|--|
| 5.26 | Improved Governance Functions | At the beginning of their terms, the Board Chair and Vice Chair shall determine between themselves their shared and individual responsibilities to oversee the Board's performance regarding the six core functions as set forth in the By-laws. | November 22, 2014 | Board Leadership |
| 6.3 | Board Oversight of Crosscutting activities | A model for the management of crosscutting issues that will facilitate the holistic and effective oversight of these issues. The model illustrates how the crosscutting issues are presented by the Secretariat to the relevant committees, cross-committee coordination is ensured by the Coordinating Group and the Secretariat Focal point consolidates and presents to the Board for consideration. | November 22, 2014 | Board |
| 6.7 | Risk Management | That the Board has a clear understanding of the risks and opportunities faced by the organization and that this is the responsibility of all the governing bodies, with a key role for the CRO. | November 22, 2014 | Board |
| 6.8 | Risk Management | Risk management responsibilities be refined using the standard model for crosscutting issues as applied in Figure 6 with each level of the governance structure playing a key role. It is important that all committees are involved in and contributing towards the management of risk and that each has a full picture of the risk universe. | November 22, 2014 | Board |
| 6.9 | Risk Management | Inclusion of an annual assurance report to the Board, providing the CRO's independent view on the robustness and effectiveness of the Secretariat's risk management and mitigation steps taken and whether the risk profile is acceptable, is improving or deteriorating. | November 2015 Board Meeting | Chief Risk Officer |
| 6.10 | Risk Management | Maintain the independence of the CRO position. The CRO should continue to report to the Executive Director (ED); however, committee leadership should provide input into the annual performance appraisal of the CRO. It is also expected that the CRO will flag any material matters where the ED and CRO have a fundamental difference of opinion. | January 1, 2015 | Chief Risk Officer |
| 6.11 | Risk Management | Actively offer training in risk management as part the induction provided to Board and committee members. Efforts should also be made to ensure that risk experts are recruited in the committee nomination and selection processes. | November 22, 2014 | Chief Risk Officer/Office of Board Affairs |

| | | | | |
|------|---|--|-------------------|-----------------------------------|
| 6.16 | Assessment of Organizational Performance | The allocation of responsibilities as in Figure 7, based on the standard model for crosscutting issues, which provides a clear path to ensure that the KPIs are effectively considered by the relevant committees and brought to the Board for consideration. | November 22, 2014 | Board |
| 6.17 | Assessment of Organizational Performance | The development of the KPIs to monitor the 2017-2021 Strategy be an integral part of the strategy development process and build on the lessons learned from the current framework. | November 22, 2014 | Secretariat Focal Point for KPI |
| 6.21 | Partnership Forum | The Board reaffirms the importance of the Partnership Forum and that the scope of the Partnership Forum should be focused on and aligned to the development and implementation of the Global Fund Strategy. As the current lead committee for strategy development, the SIIC should be charged with the oversight and coordination of the Partnership Forum as an on-going global stakeholder dialogue that combines online consultations with in-person meetings. The SIIC will be responsible to further develop the Partnership Forum, in terms of form and content, as a platform for ongoing advocacy and progress review linked to the Global Fund Strategy. | November 22, 2014 | SIIC |
| 6.22 | Partnership Forum | Following the transition to the enhanced governance structure, the WGG recommended governance structure places oversight responsibility of the Partnership Forum with the Strategy and Operation Committee. | April 1, 2016 | Strategy and Operations Committee |
| 8.2 | Transparency of Board and Committee Votes | Individual constituency votes at the Board be systematically recorded and a summary report included in the public Board documentation on the website. Votes at the committee level should also be systematically recorded, with a summary report being available on the internal Board Effect website but not released publically. | January 1, 2015 | Office of Board Affairs |
| 8.3 | Transparency of Board and Committee Votes | The instatement of the secure livestreaming of Board meetings, previously done for the Colombo Board Meeting (June 2013). | November 22, 2014 | Office of Board Affairs |
| 9.4 | Institutional Memory Management | An annual report to the Board, provided by the Office of Board Affairs, containing the full register of Board decisions and the status of implementation. In addition, any document being put forward for decision should contain a summary of any relevant decision points. The planned improvements for the public database of Board decision points should continue and be resourced appropriately. | January 1, 2015 | Office of Board Affairs |

| | | | | |
|------|---------------------------------------|---|--------------------------|---|
| 10.3 | Legal Status | The Board make a determination regarding the rules and norms (or standards and practices) that the Global Fund may adopt as internal legislation given its unique legal status. The responsibility to identify, ensure (and oversee) compliance with the applicable rules is not currently explicitly stated/assigned to the Board and/or its governance structures. Under the enhanced governance structure, the responsibility would be allocated to the Ethics and Governance Committee. | November 22, 2014 | Transitional Governance Committee/ Legal and Compliance Department |
| 11.7 | Lifecycle and Constituency Management | Development of Guidelines for Lifecycle Management for Board and Committees which cover guidelines and tools for on- and off-boarding Board and committee leadership and Board and committee members as well as guidelines and best practices for constituency management including nominating and selecting members. | 1 January 2015 | Transitional Governance Committee |
| 12.7 | Elevating the Implementer Voice | The Implementer Bloc presents Strategic Roadmap to enhance Implementer Engagement, including any updates, to the Board for endorsement, including a workplan and budget for support. | March Board Meeting 2015 | Implementer Bloc |
| 12.8 | Elevating the Implementer Voice | The Board should ensure adequate support is provided for the implementation of the roadmap and workplan and the assessment of this implementation. | March 2015 | Board |

Annex 2 – TGC Workplan

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TRANSITIONAL GOVERNANCE COMMITTEE WORKPLAN (PROVIDED IN A3 ON BOARD EFFECT)

updated: 4 April 2016

| KEY WORKSTREAMS & ASSOCIATED DELIVERABLES (Activities and workstream requiring active engagement by TGC members) | | | | | | | |
|---|--|--|---|---|---------------------------|---|--|
| FOR PRESENTATION AT NOVEMBER 2015 BOARD MEETING | | | | | | | |
| # | Key Activity (for TOR) | Key Deliverables | Key Milestones | Target for Completion | Overall workstream status | Next Steps | Responsible |
| 1 Develop Performance Assessment Framework and oversee the process | | | | | | | |
| 1.1 | Develop a methodology for performance assessment of the Board and its committees | Performance Assessment Framework for Global Fund Board and committees, including overall assessment of governing bodies and their leadership. | 1. Review of past performance assessment practices for Board and Committees at Global Fund 2. Benchmark against 3-4 similar organizations 3. Draft Performance Assessment Framework for Board consideration | 1. March 2015 - COMPLETED 2. March 2015 - COMPLETED 3. May 2015 - COMPLETED | COMPLETED | None | |
| 1.2 | Oversee the performance assessment process | Oversee the process of performance assessments of the Board and committees and their leadership for presentation to the Board. | 1. Oversee performance assessments of Board and Committees and analysed results a. Issue Board Assessment Survey b. Issue Committee Assessment Survey 2. Consider results of performance assessments in implementation of Enhanced Governance Structure 3. Share results of Performance Assessment to Board 4. Support CG in developing Performance Assessment Action Plan | 1. October-November 2015 - COMPLETED 2. November - January 2016 - COMPLETED 3. November Board meeting - COMPLETED 4. Jan - April 2016 - COMPLETED | COMPLETED | 1. Conduct 360 degree assessment (survey) of Board and Board Leadership | None 1. OBA - results to ECG in June |
| 1.3 | Implement full Governance Performance Assessment Framework | Engagement of an external service provider to support the full implementation of the Board approved Governance Performance Assessment Framework | 1. Run RFP to identify qualified and cost effective external provider 2. Conduct 360 survey of Board and Board Leadership 3. Update and develop materials to support full implementation of the Framework 4. Implement full framework to assess Board and committees | 1. Feb - April 2016 - IN PROGRESS 2. May - June 2016 - PENDING 3. May - October 2016 - PENDING 4. April - June 2017 - PENDING | IN PROGRESS | 1. Identify Service Provider to support full implementation of Governance Performance Assessment Framework 2. Finalize tools and fully implement Governance Performance assessment Framework | 1. OBA 2. ECG with support from OBA and External Service Provider |
| 2 Finalize enhanced governance structure for Board approval | | | | | | | |
| 2.1 | Reconfigure three-committee structure | Finalized enhanced governance structure with re-aligned roles and responsibilities for Board approval | 1. TGC review and modification of enhanced structure proposed in Governance Plan for Impact 2. Modification to relevant key governance documents including (but not limited to) Board Leadership TOR, Committee Charter 3. Develop and Issue survey on proposed Enhanced Structure 4. Consultation with Board and Committee members and other relevant stakeholders 5. Submit final proposal for Board approval 6. Update governance documents based on Board feedback and submit for approval | 1. May 2015 - COMPLETED 2. September 2015 3. August 2015 - COMPLETED 4. October 2015 5. November 2015 (Board meeting) 6. January EDP - APPROVED/COMPLETED | COMPLETED | None | |
| 2.2 | Support selection process for new structure | Support the process of identifying and nominating committee members for the enhanced committee structure for Board approval, through a competency-based nomination process based on experience, credentials and commitment to the organization in accordance with the Board and Committee Operating Procedures. | 1. Develop methodology for competency based review 2. Perform competency based review for committee leadership nominees 3. Perform competency based review for committee membership nominees 4. Develop SOP for competency based reviews based on lessons learned | 1. Feb 2016 - COMPLETED 2. March 2016 - COMPLETED 3. April 2016 - IN PROGRESS 4. MAY-JUNE - PENDING | IN PROGRESS | 1. Develop SOP for competency based review of committee leadership and membership nominations based on lessons learned | 1. OBA |
| FOR PRESENTATION AT APRIL/MAY 2016 BOARD MEETING | | | | | | | |
| 3 Develop proposals on the Board future size and composition | | | | | | | |
| 3.3 | Board Composition, Size and Voting Structure | Desk review / benchmark / assess and develop proposals on Board size, composition and voting structure. | 1. Develop concept note and discuss at Board Retreat 2. Engage External consultant to assist with developing options 3. Conduct analysis and consultations with relevant stakeholders 4. Proposed several Options for TGC and Board Consideration 5. Hold consultations with Board Members (Consultant) 6. Report outlining recommended evidence based options 7. Anonymous survey to determine Board appetite for options 8. Present Board with a TGC recommendation | 1. July 2015 - COMPLETED 2. September 2015 - COMPLETED 3. October-November 2015 - COMPLETED 4. November - January 2016 - COMPLETED 5. November- January 2016 - COMPLETED 6. March 2016 - COMPLETED 7. April 2016 - COMPLETED 8. April Board Meeting 2016 - COMPLETED | COMPLETED | 1. Facilitate discussion about future direction of the Global Fund around mid-point evaluation of the current Strategy | 1. Ethics and Governance Committee with Strategy Committee |
| 4 Oversee CCMs matters | | | | | | | |
| 4.1 | Oversee CCMs matters | Review results from the 2015 OIG Review on CCMs and provide recommendations to the Board. | 1. Identify key CCM Governance issues and opportunities that TGC would like to see addressed either through OIG Review or other means 2. Provide feedback for OIG consideration on Scope of Work for OIG Review of Country Coordinating Mechanisms 3. Review OIG Report on CCMs (OIG conducting review in Q3) 4. Develop recommendations for governance related CCM matters for Board consideration 5. Provide recommendations on CCM (governance related issues) to Board | 1. April 2015 & July 2015 - COMPLETED 2. May 2015 & July 2015 - COMPLETED 3. January - March 2016 - COMPLETED 4. April 2016 - COMPLETED 5. April Board Meeting - COMPLETED | COMPLETED | 1. Regular updates on implementation of the CCM guidelines and associated performance 2. Regular reports on the on the performance of the CCMs in those activities related to their role as the local representative of the Global Fund partnership and in modeling the principles of ethical behavior and transparency. | 1. Strategy Committee 2. Ethics and Governance Committee |
| 5 Develop key components of the Governance Framework for Board approval | | | | | | | |
| 5.1 | Develop Guidelines for Lifecycle Management for Board and Committees including livestreaming | Guidelines and tools on-boarding and off-boarding of Board and committee leadership, Board and committee members. | 1. Review of existing and past on and off boarding practices for Board Members at the Global Fund 2. Update processes and documentation for the on for Board members 3. Implement updated onboarding process with new Board Members (OBA) 4. Develop and implement updated offboarding process with existing members (OBA) 5. Update induction processes for new committee members | 1. June 2015 - COMPLETED 2. October- March 2016 - COMPLETED 3. April Board Meeting 2016 - PENDING 4. November Board 2016 - PENDING 5. June Committee 2016 - PENDING | IN PROGRESS | 1. Develop and implement off-boarding process for exiting Board Members 2. Update Induction processes for new committee members | 1. OBA 2. OBA |
| 5.2 | Develop Guidelines and best practices for constituency management including nominating and selecting members | Best practices for constituency management includin suggested: i. Minimum requirements for member selection processes ii. Roles and responsibilities for constituency members iii. Communication principles and modalities. | 1. Review of existing guidelines on constituency management in current constituencies 2. Develop draft best practices for constituency management 3. Share document with all constituencies for information | 1. December 2015 - PENDING 2. February 2016-April 2016 - PENDING 3. April 2016 - PENDING | NOT STARTED | 1. Review of existing guidelines on constituency management in current constituencies 2. Develop best practice based guidelines for constituency management | 1. OBA 2. ECG supported by OBA |
| 5.3 | Enhanced implementer engagement | Engagement with the Implementer Group as they develop Strategic Roadmap to enhance Implementer engagement, including any updates to the Board for endorsement including a workplan and budget for support. | 1. Development of a Roadmap, workplan and Budget for implementer engagement (implementer Group) 2. Presentation by Implementers of Roadmap for Implementer Engagement to Board | 1. Q1 2016 - IN PROGRESS 2. November Board Meeting TBD 2016 | IN PROGRESS | 1. Develop Implementer 3 year Roadmap/Workplan and present to Board | 1. IMPLEMENTER GROUP |
| 5.4 | Livestreaming of Board Meetings | Develop proposal for the piloting of livestreaming of Board Meeting | 1. Explore current resources available to support possible livestreaming 2. Develop proposal and costing of livestreaming for Board consideration 3. Following Board approval of pilot livestreaming, implement for November Board meeting | 1. October 2015 - COMPLETED 2. April-May 2016 - COMPLETED 3. November Board 2016 - PENDING | IN PROGRESS | 1. Implementer Board approved Livestreaming | 1. OBA |
| MONITORING AND OVERSIGHT ACTIVITIES (Routine committee activities or activities being performed by others and overseen by the TGC) | | | | | | | |
| 6.1 | Manage institutional memory; update Board document template to include section for past decisions (OBA) | Production of Institutional Memory Management Tools by OBA | Institutional Memory Management tools to be produced by OBA: 1. Board Workplan 2. Public Database of Board Decision Points 3. Updated Board Document Template to incorporate past decision points 4. Annual Report of Board decisions 5. Recording of Board and Constituency Votes | This work is ongoing by OBA. OBA to provide regular report on progress (quarterly) | COMPLETED | 1. Ongoing maintenance of Institutional memory tools | 1. OBA |
| 6.2 | Review of governance documents | No specific reference in the TOR. Updated documents are expected | Review modifications to governance documents as needed | Ad hoc | COMPLETED | 1. Revision of governing documents as needed | 1. EGC |
| 6.3 | Oversee legal status issues | Report outlining current compliance status | 1. Report received from Legal Dept outlining current compliance status - where GF compliance with Swiss Law regulations and where it complies with other norms as well as how measures this compliance 2. Updated shared with Board as part of TGC final report | 1. February 2016 - COMPLETED 2. April 2016 - COMPLETED | COMPLETED | 1. Oversight of any emerging issues concerning the legal status | 1. EGC |
| 6.4 | Monitoring of Implementation of Governance Plan for impact recommendations | Implementation of Cross-cutting model for KPI and Risk Risk: o Bi-annual report on risk to committees (one report) o Annual assurance report o In-country verification of risk assessment (6x year) o Risk a standing item on each committee meeting agenda (2x year) o Coordination role of CG, Oversight role of Board Leadership o Board review of portfolio of risks vs risk appetite, approval of key risk policies o Training in risk management as part of induction provided to Board and Committee members KPI o Annual report on performance against KPI preference to relevant committees (one report) o Creation of online KPI Dashboard, management of KPI framework o Coordination role of CG, Oversight role of Board Leadership o Board review of performance against KPIs at first Board Meeting of the year | No specific action required by TGC except to ensure that these activities occur inline with the recommendations in the Governance Plan for impact | Ongoing | COMPLETED | 1. Monitor coordination of cross-cutting elements | 1. Coordinating Group |

Annex 3 – Table of recommended actions post TGC

| Recommendation Area | Recommendation/Deliverable | Deadline | Lead |
|---|---|-----------------------------------|-------------------|
| Governance Performance Assessment Framework | Finalize and implement full governance performance framework | May 2017 | ECG/OBA |
| Governance Performance Assessment Framework | Issue 360 survey to assess the Board and its Leadership | May 2016 – results to EGC in June | EGC |
| Enhanced Governance Structure | Develop SOP for competency based review process for committee membership selection based on lessons learned to be used for next round of committee membership selection in 2018. | December 2016 | OBA |
| Board Composition and Size | Discussion with stakeholders and the Board around the future direction of the Fund be included in the mid-point discussions on the implementation of the current strategy (estimated 2019-2020). Possible decisions to implement any changes to the current constituency group structures, including voting practices, should also be revisited as part of these discussions. | 2020 | ECG/SC |
| CCM Matters | Regular committee discussion and evaluation of the implementation of CCM Guidelines as well as associated performance of CCMs overseen by the Strategy Committee. The Ethics and Governance Committee receive regular reports from the Secretariat on the performance of the CCMs in those activities related to their role as the local representative of the Global Fund partnership and in modeling the principles of ethical behavior and transparency. | Ongoing | SC/ECG |
| Governance Framework | EDP on livestreaming to be issued following 35 th Board meeting | May 2016 | OBA |
| Governance Framework | Implement any decisions taken on livestreaming | Nov Board Meeting | OBA |
| Governance Framework | Develop 3 year roadmap/workplan for Implementer Group | November 2016 | Implementer Group |
| Governance Framework | Finalize updated Constituency Funding Policy for Board approval | July 2016 | CG |
| Governance Framework | Develop Off-Boarding process for Board Members | November 2016 | OBA |
| Governance Framework | Review and update the 2010 Guidelines Constituency Management Guidelines to reflect any evolution in best practices. | November 2016 | ECG |

Annex 4 - Enhancements to Institutional Memory Management

In 2015, the OBA implemented a number of tools and process improvements to enhance institutional memory management, monitoring of Board decisions, and work planning processes for governance bodies. Specific examples include:

- a. **Informed Board Decision-Making.** With effect from the 33rd Board Meeting (31 March-1 April 2015), all documents submitted for Board decision, and for information, include a summary of relevant past decision points, presenting decisions within the context of relevant institutional history. This practice is also extended to committee decision-making to ensure that decisions are taken in a fully informed manner with full appreciation of institutional memory, consistently, and at all levels of the governance structure.
- b. **Improved Tracking of Board Decisions.** The OBA has analyzed all Board decisions from 2011 to date, to enhance tracking and monitoring. Decisions are classified, and contextualized against other decisions. The web-based [Database of Board Decisions](#)⁷ offers enhanced contextualization of past Board decisions. A second phase of review, covering decisions from 2002-2010, is in progress.
- c. **Enhanced Governance Work Planning:** an internal comprehensive work planning tool, based on the Board's core functions, captures Board and Coordinating Group reporting or oversight requirements arising from core governance documents and past decisions. This tool supports governance body work-planning and tracking processes, and monitoring of compliance with reporting requirements. Existing work plans for the three standing committees continue to track responsibilities and follow-up items at committee level.
- d. **Improved transparency around Board and committee votes:** The reports of Board and committee meetings capture each constituency's vote for each decision in the narrative as well as in a summary table of votes by constituency and by decision. As per the usual disclosure arrangements for Board and committee documentation, Board meeting reports are published on the Global Fund website, while committee-meeting reports are accessible to Board constituencies on the *Board Effect* platform.
- e. **Budgetary Implications:** The Board Leadership and OBA have encouraged the routine inclusion of clear resource implications in decision points and their supporting documentation, enabling the Board to better understand the resource implications of the decisions it takes.
- f. **Enhanced Coordinating Group oversight of Board decisions:** The redeveloped Coordinating Group work plan provides for regular discussion and review of Board and committee decisions, status and follow-up at the Coordinating Group on a quarterly basis.

⁷ <http://www.theglobalfund.org/en/board/decisions/>