

37th Board Meeting

Appointment of Board Chair and Vice-Chair

GF/B37/08

03-04 May 2017, Kigali, Rwanda

Board Decision

Purpose of the paper: This paper recommends that the Board approve the appointment of the incoming Board Chair and Vice-Chair.

I. Decision Point

1. Based on the information outlined below, the following decision point is recommended to the Board for approval:

Decision Point GF/B37/DPO4: Appointment of the Board Chair and Vice-Chair

The Board appoints Aida Kurtović as Chair of the Board and Ambassador John Simon as Vice-Chair of the Board to each serve two-year terms, or until the appointment of their respective successors, starting from the adjournment of the 37th Board Meeting.

II. Relevant Past Decisions

2. The following summary of the relevant past decision points is provided below to contextualize the decision point proposed in Part 1 above.

Relevant Past Decision Points	Summary and Impact
GF/B34/EDP21: Operating Procedures of the Board and Committees (April 2016)¹ and GF/B34/EDPO7: Enhanced Governance Structure (January 2016)²	The Operating Procedures of the Board and Committees, as most recently amended in January and April 2016, stipulates the Board Chair and Board Vice-Chair serve two-year terms, or until the appointment of their successors. They further outline the procedure for electing the Board Chair and Board Vice-Chair.
GF/B33/DPO3: Appointment of the Chair and Vice-Chair of the Board (April 2015)³	The Board appointed Norbert Hauser and Aida Kurtović to serve as Board Chair and Board Vice-Chair, respectively. The decision point presented in this Board paper presents the Board with a recommendation on their successors.

II. Action Required

3. The Board is requested to approve the appointment of the incoming Board Chair and Board Vice-Chair, as set forth in this paper.

¹ <https://www.theglobalfund.org/board-decisions/b34-edp21/>

² <https://www.theglobalfund.org/board-decisions/b34-edp07/>

³ <https://www.theglobalfund.org/board-decisions/b33-dp03/>

III. Background

4. The terms of the incumbent Board Chair and Vice-Chair end upon the adjournment of the 37th Board Meeting in May 2017. This paper presents the Board with a recommendation to appoint the incoming Board Chair and Board Vice-Chair.

5. In preparation of the appointment of the incoming Board Leadership, amended Terms of Reference for the Board Chair and Vice-Chair were submitted to the Board for adoption together with a series of consultations on the selection process for appointing new Board Leadership.

6. At the Board Retreat in February 2017, the Board agreed to adopt revisions to the current Terms of Reference of the Board Chair and Vice-Chair (“Board Leadership TORs”) to enable the selection process for a new Board Chair and Vice-Chair to be launched.

7. On 1 March 2017, the call for nominations for the Board Chair and Vice-Chair was issued, with a deadline for submitting nominations of 28 March 2017. Further consultations were held with the Board to clarify the process in March 2017. Based on the input received, it was agreed that the Implementer and the Donor voting groups would, as in past elections, undertake their own process to determine a preferred candidate. It was also agreed that the Ethics and Governance Committee (“EGC”) would provide support to both groups, including by undertaking enhanced due diligence on the candidates set forth for Board Chair and Vice-Chair. The EGC observed the selection processes undertaken in each voting group for the purpose of collecting lessons for future elections, which will include input from key stakeholders involved in both processes.

8. To this effect the search firm Egon Zehnder was selected, following a review of proposals from three pre-qualified Global Fund service providers, at the 3rd EGC meeting to assist with the enhanced due diligence process.

IV. Conflicts of Interest Assessment and Enhanced Due Diligence

9. Once the EGC acknowledged receipt of the nominations on 30 March 2017, Egon Zehnder began its due diligence checks and referencing on the candidates.

10. Concurrently, the Ethics Officer conducted a conflicts of interest assessment based on the declaration of interest forms and CVs that had been submitted in the nomination supporting documentation. In addition, comprehensive background checks of past educational, employment and social media checks were conducted by the Mintz Group. The results of these reports were reviewed by the Ethics Officer and shared with a subgroup of EGC members that had been charged with reviewing the candidate credentials.

11. Given the highly sensitive and confidential nature of the candidate information, it was agreed with the representatives of the voting groups that input from the conflicts assessment ascertained by the Ethics Officer would not be included in the candidate reports but rather disclosed orally. As such, a debriefing call was organized with the Implementer Group’s Board Chair Nomination Committee and the Ethics Officer with participation from Egon Zehnder on 18 April 2017. Similarly the debriefing with the Donor Group was held with the Ethics Officer and representatives of Egon Zehnder on 19 April 2017. The aim of these calls was to provide both voting groups with the results of the review and to discuss any mitigating measures that would need to be agreed with the candidates.

12. Following the review it was confirmed that there were no significant barriers that would prevent any of the candidates from serving as Board Chair or Vice-Chair. In addition, it was agreed, updated financial disclosures from both individuals would be submitted in accordance with any future modification to the method of interest disclosures. Both candidates have committed to mitigating measures, where relevant, with the Ethics Officer before taking office.

V. Recommended Candidates

13. As part of the process agreed between Board Leadership and EGC Leadership and confirmed in the document “Next Steps to Successful Board Leadership Selection process” agreed at the 3rd EGC meeting in March and communicated to the designated representatives of each voting group, both voting groups were to notify their preferred candidate to the EGC by 30 April 2017.

14. At the 3rd EGC meeting the representative of the Implementer voting group informed the EGC that they had agreed within their voting group a process which was to be led by a Board Chair Nomination Committee (BCNC). The BCNC would be charged with reviewing and interviewing the Board Chair candidates so that a single candidate could be presented to the Board for appointment.

15. On 25 April 2017, the Donor voting group informed the EGC Leadership that their selection process had come to a successful close following an election, resulting in the presentation of Ambassador John Simon for the position of Board Vice-Chair.

16. The Implementer group confirmed on 1 May 2017 that it had reached an agreement following several rounds of discussions on a preferred candidate, resulting in the presentation of Aida Kurtović for the position of Board Chair.

17. The motivation letters of both the Board Chair and Vice-Chair candidates are included as Annex 1 and 2 to this report.

VII. Recommendation

18. The Board is requested to approve the appointment of Aida Kurtović and Ambassador John Simon to serve as Board Chair and Board Vice-Chair, respectively, starting from the adjournment of the 37th Board Meeting in May 2017.