

# 39<sup>th</sup> Board Meeting

## Proposal for Strengthening the Board Leadership Selection Process

GF/B39/05- Revision 1  
09-10 May 2018, Skopje

### **Board Decision**

**Purpose:** This paper sets forth the recommendation of the Ethics and Governance Committee for a proposal for strengthening the Board Leadership selection process.

The paper proposes one decision point as follows:

GF/B39/05- Revision 1: Strengthening the Board Leadership Selection Process

## Decision

### ***GF/B39/DP06: Strengthening the Board Leadership Selection Process***

- 1. The Board notes the recommendation of the Ethics and Governance Committee (the “EGC”), as set forth in GF/B39/05- Revision 1, and acknowledges the need to strengthen the current process for selecting the Chair and Vice-Chair of the Board.***
- 2. Based on the recommendation of the EGC, the Board approves, in principle, the revised process for selecting the Chair and Vice-Chair of the Board as detailed in Section II of GF/B39/05- Revision 1 (the “Revised Board Leadership Selection Process”) and the Draft Terms of Reference of the Board Leadership Nomination Committee (the “BLNC ToRs”) as provided for in Annex 7 of GF/B39/05- Revision 1.***
- 3. The Board requests the Secretariat to finalize the BLNC ToRs and to prepare the necessary revisions to the core governance documents to implement the Revised Board Leadership Selection Process for review by the EGC and recommendation to the Board for approval ahead of the planned 2018 launch of the call for nominations for Board Chair and Vice-Chair.***

***Budgetary implications of this decision are outlined in GF/B39/05- Revision 1.***

A summary of relevant past decisions providing context to the proposed Decision Point can be found in Annex 3.

# Executive Summary

## Context

Experience from the most recent Board Leadership (“BL”) selection process, as well as feedback from the lessons learned review, indicate that there are several aspects of the current process that could be strengthened. Enhancing the existing BL selection process also reflects best practice principles and is a key theme of the Governance Action Plan developed by the Ethics and Governance Committee (“EGC”)<sup>1</sup>.

## Questions this paper addresses

- A. *What is the proposed course of action?*
- B. *What options were considered?*
- C. *What are the next steps?*

## Conclusions

- A. This paper outlines the EGC’s recommendation to the Board for a proposal for strengthening the BL selection process that will: (1) broaden the pool of highly qualified candidates; (2) promote transparency throughout the selection process; (3) provide an appropriate level of confidentiality to nominees; (4) maintain rotation between the Implementer and Donor voting groups for the final candidates for Board Chair and Vice-Chair; (5) utilize a Board Leadership Nomination Committee (“BLNC”); and (6) make available the expert recruitment services of an executive search firm. Led by a single nomination committee, the proposed process would provide for direct engagement of the two Board voting groups and for the involvement of the non-voting partner constituencies.
- B. Initially, the EGC considered three different options for revising the BL selection process: the first substantially retained the existing process, the second proposed a hybrid process and the third a fully unified process. Following feedback from the Board and further review by the EGC, two new updated options were submitted to the Board constituencies for consultation in February 2018. Based on the input received from the Board consultations, the EGC then endorsed the revised proposal which is presented in this report and which was approved by the EGC on 18 April 2018.<sup>2</sup>
- C. If the Board approves the proposed revised process, the necessary amendments to the core governance documents – in particular the Operating Procedures of the Board and Committees of the Global Fund (“BCOP”) and the EGC Charter – and the terms of reference of the BLNC will be submitted to the Board for approval prior to the official launch of the next BL selection process, planned for November 2018.

## Input Sought

The Board is invited to approve the Decision Point on page 2: GF/B39/DPO6 Strengthening the Board Leadership Selection Process.

## Input Received

Feedback was received from the Board at the pre-meeting session at the 38<sup>th</sup> Board Meeting in November 2017. Additional input was received from constituencies in consultations held in mid-February 2018. At its 6<sup>th</sup> meeting in March 2018, the EGC reviewed and discussed the feedback, and endorsed a proposal, which was shared with Board constituencies and then discussed in a second round of consultations. The EGC recommendation for a proposal to strengthen the BL selection process contained in this paper combines elements of the two options and aims to address the concerns identified with the current process.

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<sup>1</sup> GF/EGCo5/13, Governance Action Plan and associated annexes, October 2017.

<sup>2</sup> GF/EGCo6/EDPO1, Proposal for Strengthening the Board Leadership Selection Process, April 2018.

# Report

## I. Why the need to revise the selection process?

1. Prior to the launch of the last selection process in 2017 for the current Board Leadership, the EGC had recommended that the Board adopt a new selection process.<sup>3</sup> The initial recommendation was informed by the results of the independent assessments of Board performance in 2015 and 2016 under the Governance Performance Assessment Framework.<sup>4</sup> Feedback received by the EGC revealed certain dissatisfaction with the bifurcated process of rotation, as between the Donor and Implementer voting groups, for the nomination of the Board Chair and Vice-Chair.
2. The EGC observed that the historic distinctions between these two voting groups do not necessarily reflect current realities. The EGC noted that the rotation process could result in a Board Leadership who were assumed to represent the interests of their nominating constituency or voting group, rather than serve in the best interests of the Global Fund as an entity. The EGC identified that the current process did not adequately prioritize the importance of complementarity and ability to collaborate between the nominated Chair and Vice-Chair.
3. The most recent BL selection cycle was completed in May 2017. A lessons learned assessment identified certain areas, which could be enhanced. These included transparency, broadening the candidate pool, and complementarity of the final candidates. The need to further strengthen Board governance processes was also highlighted in the 2017 Office of the Inspector General Advisory Review on Governance<sup>5</sup> and subsequently identified as a priority by the EGC in the Governance Action Plan.<sup>6</sup>
4. The feedback received at the Pre-Meeting Day session at the 38<sup>th</sup> Board Meeting in November 2017 and the two rounds of recent consultations affirmed the Board's appetite to improve the existing process. Similarly, the Committee Performance Assessment Survey completed in February 2018<sup>7</sup> also highlights the support for change.
5. The term of the current Board Leadership conclude in May 2019. It is therefore timely to adopt a revised selection process, to allow for a call for nominations to be launched in November 2018. Moving forward with a revised process now would also allow sufficient time for the necessary amendments to the core governance documents to be prepared and for consideration to be given to whether any revisions to the Terms of Reference of the Board Leadership are needed.
6. The proposed new BL selection process aims to strengthen transparency, is objective, effective and competency-based. The proposed process is tailored to the Global Fund community and designed to identify and recruit the best available governance leaders.
7. It is expected that the proposed BL selection process would not cost significantly more than the existing process, which also undertook enhanced due diligence. Marginal additional costs will come from the use of an executive search firm, e.g. for outreach.<sup>8</sup>

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<sup>3</sup> GF/EGC03/ERO2, Board Leadership Selection Process, February 2017.

<sup>4</sup> <https://www.theglobalfund.org/board-decisions/b33-edp18/>

<sup>5</sup> GF-OIG17-009, April 2017.

<sup>6</sup> GF/EGC05/13, Governance Action Plan and associated annexes, October 2017.

<sup>7</sup> GF/EGC06/11, Global Fund Committee Performance Assessment Survey – Results for Discussion with EGC, Egon Zehnder, March 2018.

<sup>8</sup> It is important to note that the total cost of the BL selection process will nevertheless depend on several factors. These include the scope of due diligence and outreach to be undertaken by the executive search firm, and any costs that might be associated with travel either of candidates or the BLNC members. As far as possible, meetings can be held virtually.

## II. What is the proposed revised Board Leadership selection process?

8. Under the proposed revised BL selection process, a single nomination committee, the BLNC, comprised of three Board constituency members from each voting group and a representative from the non-voting partner Board constituencies (for a total of seven members), will recommend to the Board a final pair of candidates for Board Chair and Vice-Chair. The EGC will recommend the seven individuals to serve on the BLNC for approval by the Board, based on the nominations received from constituencies of the respective voting groups and the non-voting partners.
9. The Board Leadership would launch the selection process by issuing a call for nominations for Board Chair and Vice-Chair, open for a two month period, to allow sufficient time for outreach by both the constituencies and an executive search firm, which would be engaged to assist with the selection process.
10. Nominations for the Board Chair and Vice-Chair may be identified by Board constituencies or by the executive search firm. Candidates identified by a non-voting partner constituency or the executive search firm must be endorsed by a voting Board constituency. All initial nominations would be submitted to the search firm, and held in strict confidence. After the deadline for submitting nominations has passed, the nominations will be forwarded by the executive search firm in confidence to the BLNC.
11. The members of the BLNC will hold a first meeting to define their work plan and formally receive from the executive search firm the full list of nominations for the positions of Board Chair and Vice-Chair. During the first meeting, the BLNC will attribute the candidates, based on the identity of the constituency that nominated or endorsed such candidates, to one or the other of the BLNC sub-committees for review, formed, respectively by the three members representing the Implementer Voting Group and the three members representing the Donor Voting Group.
12. Following the first meeting, the BLNC will convene in two separate voting-group specific sub-committees to review the nominations of the respective voting group under a timeline agreed by the BLNC. Each BLNC sub-committee will then endeavor to identify two or three finalist candidates from the nominations pool it reviewed for either the position of Board Chair or Vice-Chair.
13. In the event one of the BLNC sub-committees cannot identify at least two suitable candidates for the Board Chair or Vice-Chair's position, the executive search firm will identify additional candidates and will submit them – once they have been endorsed by a constituency from the relevant voting group – for the BLNC sub-committee's consideration.
14. The BLNC member representing the non-voting partners may, for the duration that the BLNC sub-committees convene, carry out, as requested, an observer role during the sub-committee deliberations but shall otherwise participate in his/her capacity of member to the meetings of the full BLNC.
15. The executive search firm will carry an initial high-level due diligence check on all nominations received before submitting the nominations to the BLNC. The executive search firm and the Ethics Office will carry out additional due diligence checks on the short-listed candidates identified by the BLNC and each of the short-listed candidates will be interviewed by the BLNC. The deliberations and interviews undertaken by the BLNC will be held in strict confidence. The short-listed candidates will be assessed against the Key Competencies and Responsibilities of the Board Leadership (Annex 1 of the BCOP) and the attributes specified in the BL Terms of Reference. In its assessment, the BLNC will take into account the principles of complementarity and of rotation between the two voting groups. The evaluation of each candidate's ethical values and history with respect of Global Fund key strategic issues, including gender diversity and the key populations affected by the three diseases, will also be taken into account.

16. Based on the short-listed candidate interviews and reviews, the BLNC will identify one final candidate for the position of Board Chair and one final candidate for the position of Board Vice-Chair.
17. The BLNC will recommend the final pair of candidates for Board Chair and Vice-Chair to the Board and will outline its findings in a report to the Board.

### **III. What are the next steps?**

18. Following the approval of the proposed Decision Point presented on page 2 of this report by the Board at the 39<sup>th</sup> Board Meeting in May 2018, revisions to the core governance documents will be prepared, reviewed by the EGC, and recommended for adoption by the Board. This could be done by Electronic Decision Point following the Board Meeting in mid-2018 together with the adoption of the BLNC Terms of Reference and the review of the BL Terms of Reference. The BLNC could then be established and the process launched in November 2018 (see Annex 6 for the proposed timeline and Annex 7 for the draft Terms of Reference of the BLNC).

What would be the impact of delaying or rejecting the decision to adopt the new process?

19. Timely adoption of the proposed recommendation is key. If the adoption of the recommendation is delayed or deferred then there will not be sufficient time to put into place the various components of the proposed new BL selection process. In such a situation, the existing BL selection process would continue to be used until such time as a revised process is adopted by the Board. This would be a missed opportunity to learn from past experiences and to enhance Board governance.

### **IV. Recommendation**

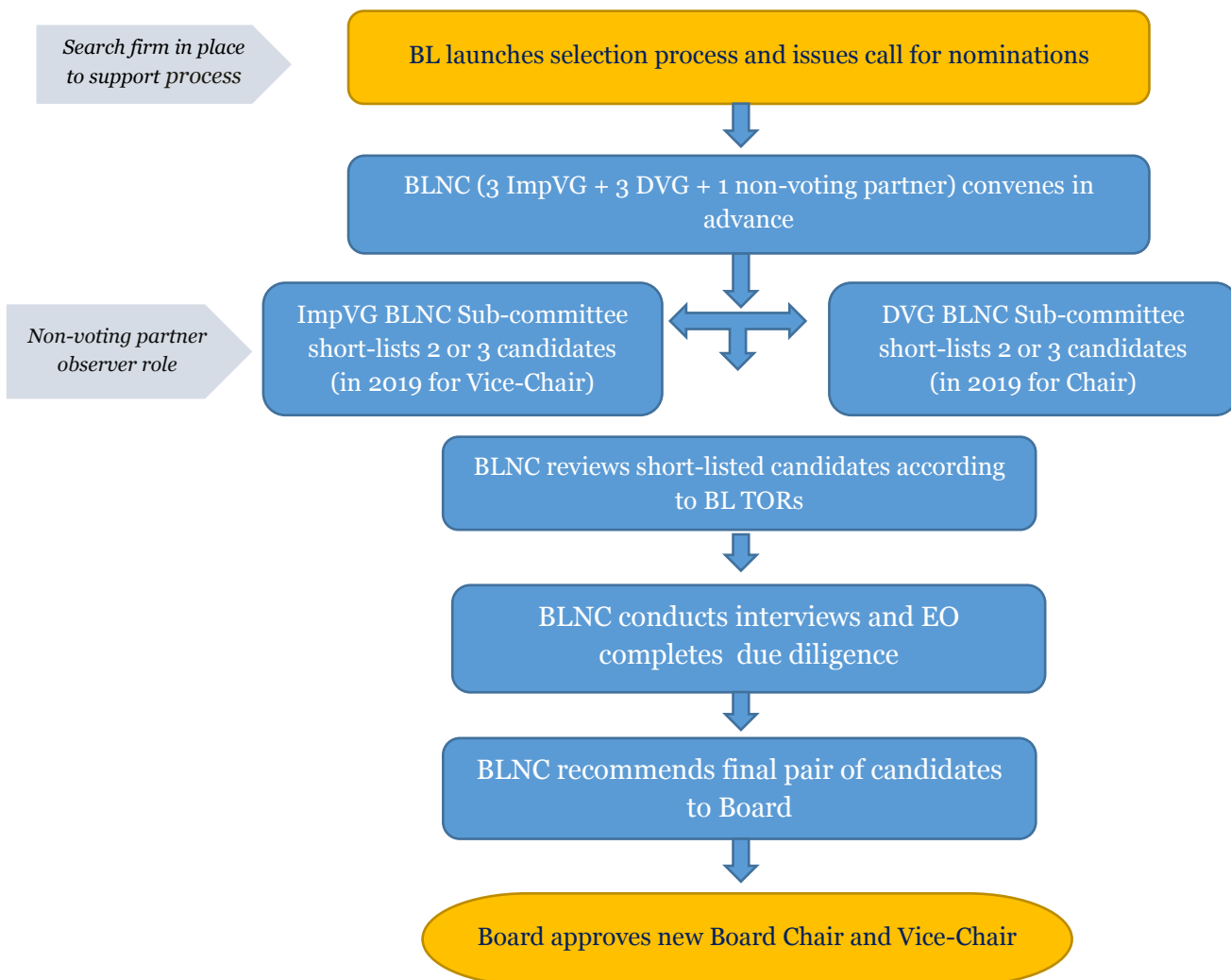
20. The Board is requested to approve the Decision Point presented on page 2 of this report.

<p>This document is part of an internal deliberative process of the Global Fund and as such cannot be made public</p>
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## Annexes and background documents

- Annex 1: Overview of the Revised Board Leadership Selection Process
- Annex 2: Summary of Committee Input
- Annex 3: Relevant Past Board Decisions
- Annex 4: Links to Relevant Past Documents & Reference Materials
- Annex 5: Frequently Asked Questions
- Annex 6: Overview of the Planned Timeline
- Annex 7: Draft Terms of Reference for the Board Leadership Nomination Committee

## **Annex 1 – Overview of the Revised Board Leadership Selection Process**



## Annex 2 – Summary of Committee Input

### *Excerpt from the Action Items of the Sixth EGC Meeting 13 – 15 March 2018*

<p><b>Board Leadership Selection Process</b></p> <p>39th Board Meeting :          ➤ Submission to the Board for Approval</p>	<p>The EGC reviewed the feedback from the recent Board consultations. As there was no clear preference for either option submitted to the Board for consultation, the EGC endorsed a revised process which aims to address the issues identified. There was significant discussion about whether the process outlined would be likely to attract or deter the sort of candidates that the GF might want.</p> <p>Next steps:</p> <ol style="list-style-type: none"> <li>i. OBA to schedule the consultation calls with the Board for the last week of March.</li> <li>ii. finalize and send the Consultation Package by the end of the third week in March 2018</li> <li>iii. EGC to finalize recommendation based on input received from further consultations, so that it may be submitted to the Board for approval at the 39<sup>th</sup> Board Meeting in May 2018.</li> </ol>
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## Annex 3 – Relevant Past Board Decisions

Relevant Past Decision Points	Summary and Impact
<p><b>GF/B37/DP03, Board Chair and Vice-Chair Terms of Reference, by decision of the Board at the Thirty-Seventh Board Meeting</b> (May 2017)</p>	<p>On 3 May 2017, the Board adopted Terms of Reference for the Chair and Vice-Chair of the Board as set forth in Annex 1 of GF/B37/22 Revision 1, which entered into force at the conclusion of the Thirty-Seventh Board Meeting. These Terms of Reference supersede all previous versions adopted by the Board.</p>
<p><b>GF/BR2017/DP05 at the Board Retreat in February 2017, Amendment to the Board Leadership Terms of Reference</b> (February 2017)</p>	<p>On 28 February 2017, the Board adopted revisions to the Terms of Reference to the Chair and Vice-Chair of the Global Fund Board.</p>
<p><b>GF/B34/EDP07 Enhanced Governance Structure</b> (January 2016)</p>	<p>The Board adopted the Charter of the EGC, and revised Operating Procedures for the Board and Committees. Together, these provide for the EGC's role in overseeing the Board leadership selection process, and for receiving and reviewing candidate nominations from the Donor and Implementer Voting Groups respectively, to advise the outgoing Board Chair and Vice-Chair on the nominated candidates (Operating Procedures subsequently amended in April 2016, GF/B34/EDP21, with no impact on the above provisions.)</p>
<p><b>By decision of the Board by electronic vote on 13 December 2012,</b></p>	<p>On 20 November 2014, the Board approved the Governance Plan for Impact, which entirely</p>



Relevant Past Decision Points	Summary and Impact
<b>GF/B28/EDPo4, at the Thirty-Second Board Meeting by GF/B32/DPo5, Approving the Governance Plan for Impact</b> (November 2014)	superseded GF/B28/EDPo4 on the Terms of Reference of the Chair and Vice-Chair of the Global Fund Board.
<b>GF/B19/DP10, as amended at the Twenty-Second Board Meeting by GF/B22/DPo6, Board Chair and Vice-Chair Nomination and Election Process</b> (December 2010)	On 6 May 2009, the Board approved the terms of reference for the Chair and Vice-Chair of the Board, as laid out in Attachment 6 of GF/B19/4. On 15 December 2010, the Board approved the amendments to the Board Chair and Vice-Chair nomination and election process.

## Annex 4 – Relevant Past Documents & Reference Materials

Past reports and reference materials:

- Egon Zehnder and Office of Board Affairs, *Principles to Guide Changes to Board Leadership TORs and Selection Processes*(February 2017)
- GF/EGCo3/ERo2, *Revised Board Leadership Selection Process* (February 2017)
- GF/EGCo4/04, *Board Leadership Selection Lessons Learned – Initial Findings* (July 2017)
- J. Dubinsky, *Over-arching principles for proposing a new selection process for Board Leadership at the Global Fund* (August 2017)
- GF/EGCo5/o8 *Revised Board Leadership Selection Process: Key Points for Discussion* (October 2017)
- GF/B38/22, *Strengthening the Board Leadership Selection Process* (November 2017)
- Board Consultation Package, *Strengthening the Board Leadership Selection Process*, EGC (2 February 2018)
- GF/EGCo6/o7, *Strengthening the Board Leadership Selection Process: Summary and Discussion of Consultation Input* (March 2018)
- Board Consultation Package, *Proposal for Strengthening the Board Leadership Selection Process*, EGC (26 March 2018)
- GF/EGCo6/ERo1, *Proposal for Strengthening the Board Leadership Selection Process*, EGC (April 2018)

## Annex 5 – Frequently Asked Questions

1. *How does the process preserve the principle of rotation and the ownership of the outcome of each voting group?*

While the recommendation to the Board for the Chair and Vice-Chair positions will be made by the unified BLNC, the nominees for each role will be shortlisted only by representatives of BLNC sub-committee of the respective voting group. Also, before being recommended by the EGC to the Board for approval, the members of the BLNC are nominated by constituencies of both voting groups and the non-voting group, ensuring continued Board ownership of the process.

2. *For purposes of consideration and rotation, on what basis will candidates be attributed to one or the other voting groups? Do the candidates themselves have any say in this decision?*

Nominations proposed by constituencies and the search firm clearly need to specify for which role (Chair or Vice-Chair) they are made. Nominations proposed by a voting constituency will automatically be attributed to the voting group of the said voting constituency and considered for the corresponding role (in 2019 Board Chair for the Donor Voting Group, Board Vice-Chair for the Implementer Voting Group).

Candidates who are not proposed by a specific voting constituency will need to be endorsed by a voting constituency and will consecutively be attributed to the voting group of the said voting constituency and considered for the corresponding role. The shortlisting of candidates for each role will then be undertaken by the respective BLNC sub-committee of the relevant voting group.

3. *How does the process increase the pool of candidates?*

Candidates can be identified by all constituencies (voting and non-voting) but also through the executive search firm. An executive search firm will increase, not only the outreach beyond the immediate constituencies, but also attract candidates who might not have considered a nomination before. Experience with past IG and ED appointments showed that most candidates that were eventually shortlisted or appointed had initially been identified by the executive search firm rather than constituencies themselves. Further professionalization of the process is expected to attract those candidates who might have been hesitating to apply before.

4. *Can each voting constituency nominate more than one candidate?*

Yes, and there are several ways how they can do so. Voting constituencies can identify and nominate candidates themselves directly. They can also actively advise the search firm about the preferred profile they would be looking for and consider endorsing candidates once the search firm has identified such candidates. Lastly, they can consider endorsing candidates that the executive search firm has independently identified.

5. *What will be the role of the executive search firm?*

The executive search firm will assist with outreach, identifying suitable candidates, and providing background information on all candidates considered by the BLNC. Once the BLNC sub-committees have put forth the short-listed candidates, the main task of the executive search firm will be to expand due diligence and background checks on the short-listed candidates. The search firm cannot nominate candidates themselves. The BLNC will only consider candidates that have been nominated or endorsed by a voting constituency.

6. *How does the executive search firm know which kind of persons to look for?*

An effective identification of suitable candidates depends on clear expectations described in the Board Leadership Terms of Reference. These Terms of Reference will be proposed for Board review before the search process is launched. Based on these Terms of Reference, the search firm will engage with board constituencies which aspects of the profiles of candidates as described in the Terms of Reference would be particularly desirable so that voting constituencies would eventually endorse them. The search firm would then identify additional candidates and suggest them for endorsement to a relevant voting constituency.

7. *How can this process attract globally known leaders?*

In order to attract top-class candidates, experience and expert advice suggest that the process needs to be professionally managed, protect the confidentiality of candidates, particularly those that are unsuccessful, and that it is completed quickly. The revised process is designed in this manner, involving the services of an executive firm for managing candidate contacts, keeping all sensitive information to a committee of 7 individuals (a setting which has demonstrated effective confidentiality in the past four recruitment processes for the ED and Inspector General), and coming to a quick Board decision once the BLNC has concluded its work.

8. *How does this process increase coherence?*

The BLNC meets first to discuss and agree principles and timelines for the shortlisting to be undertaken by each BLNC sub-committee and therefore ensures that both sub-committees shortlist their respective candidates in a coherent manner. Based on the shortlisting of each sub-committee, the BLNC is best placed to put forward a complementary set of final candidates as its membership overlaps with each sub-committee. The involvement of an executive search firm ensures that candidate contact and management is done in the professional manner expected for such positions.

9. *How quickly can the entire process be completed?*

It is expected that the whole process will take approximately 4 months including the December/January holiday period. The longest part of the process will be the outreach for qualified candidates, which will last roughly 2 months. In order to make the process even quicker, the EGC recommends that the appointment decision for the next selection process be taken by electronic decision point before the 41<sup>st</sup> Board Meeting in May 2019.

10. *What will happen if either of the two BLNC Sub-committees fail to identify three finalist candidates? Alternatively, what would happen if either of the BLNC Subcommittees presents only one finalist candidate?*

Should either of the BLNC sub-committees put forth less than two candidates, the executive search firm will suggest additional candidates for consideration by the respective BLNC sub-committee following the endorsement of the candidate by a voting constituency. It is incumbent upon all Board constituencies to promote a robust Board Leadership recruitment process in order to ensure complementarity and collaboration between the Board Chair and Vice-Chair.

11. *How can all of the Board constituencies (voting and non-voting) participate in identifying global leaders who are willing to serve in these two key governance roles?*

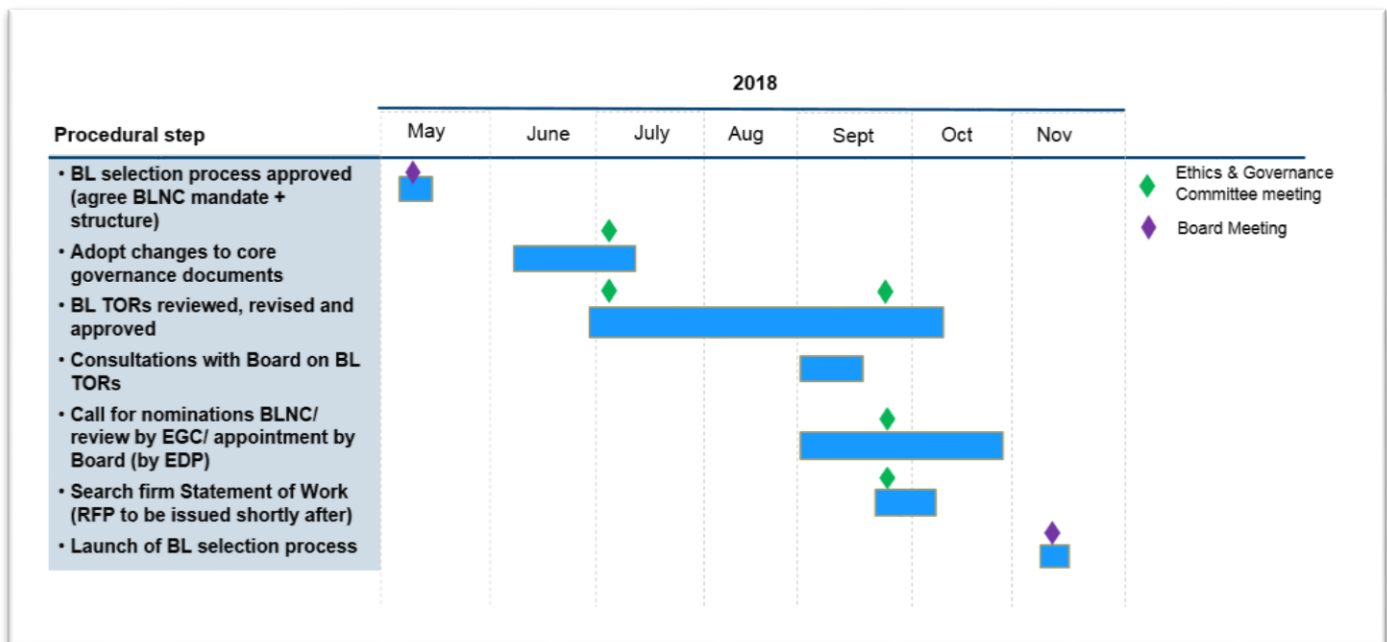
Participation of all constituencies in the outreach for potential candidates will be critical for identifying the highest qualified candidates for the roles of Board Chair and Vice-Chair. The executive search firm will be able to identify additional candidates for constituency endorsement. A key factor in attracting the candidates will be well-defined Board Leadership Terms of Reference, which clearly outline the expectations of the Board for the two positions.

12. *Once the final short-listed candidates are identified, how will the BLNC narrow the field down to the final two individuals?*

After the two BLNC sub-committees have put forth the short-listed candidates, the BLNC will review the nominations and interview up to six short-listed candidates. The BLNC will review each candidate's qualifications based on the Key Competencies and Responsibilities of Board Leadership as provided for under Annex 1 of the BCOP and the minimum attributes outlined in the Board Leadership Terms of Reference as approved by the Board. The evaluation of each candidate's ethical values and history with respect of Global Fund key strategic issues, including gender diversity and the key populations affected by the three diseases, will also be taken into account. Following careful review, which will include consideration of the complementarity of the final candidates, the BLNC will then recommend a final pair of candidates for Board Chair and Vice-Chair for the Board to approve, based on the shortlist of 3 candidates presented by each BLNC sub-committee.

## Annex 6 – Overview of the Planned Timeline

Overview of steps leading up to launch of BL selection process in November 2018



## Annex 7 – Draft Terms of Reference for the Board Leadership Nomination Committee

### Terms of Reference for the Board Leadership Nomination Committee, approved by the Board on [date] pursuant to [GF/XX/DPXX]

#### Purpose and engagement

1. The purpose of the Board Leadership Nomination Committee (“BLNC”) is to assist the Board of the Global Fund (“the Board”) with the selection of the Chair and Vice-Chair of the Board. The BLNC reports directly to the Board and its mandate shall expire on the appointment by the Board of the new Chair and Vice-Chair.
2. While the BLNC reports to the Board, the Ethics and Governance Committee (“EGC”) shall be responsible for the oversight of the overall Board Leadership selection process and the due diligence review process. To this end the BLNC shall keep the EGC informed of the performance of its mandate, including with respect to any work plans, time-bound deliverables, and seek as appropriate the EGC guidance on any issues or controversies that arise in the context of the selection process.
3. The Ethics Officer shall advise the BLNC and the EGC on all due diligence and conflicts of interest issues in accordance with the Terms of Reference of the Ethics Officer.

#### BLNC membership

4. Membership of the BLNC shall comprise of seven persons, including a Chair and Vice-Chair. The BLNC members shall be recommended by the EGC to the Board for approval and shall include:
  - a. **Three Board constituency members** nominated by constituencies from the implementer voting group, and forming the Implementer Voting Group BLNC Sub-committee;
  - b. **Three Board constituency members** nominated by constituencies from the donor voting group, and forming the Donor Voting Group BLNC Sub-committee; and,
  - c. **One Board constituency member** nominated by and representing the non-voting partner constituencies.
5. To the extent possible, the members of the BLNC will bring skills in the specific task of identifying and interviewing top executive talent, such as, for example, knowledge and experience with modern executive recruitment and selection techniques.
6. In addition to his/her membership role, the Chair of the BLNC shall provide coordination support and shall report to the Board on behalf of the BLNC.
7. In the event the Chair is unavailable to perform his/her duties, the Vice-Chair shall step in on his/her behalf. The Chair and Vice-Chair shall have voting capacity.
8. All seven BLNC members shall serve in the best interests of the Global Fund.
9. In the exceptional event that a member of the BLNC may no longer serve as a member, the EGC shall appoint a new member coming from the same group as the original member as outlined in para. 4 above.

### **BLNC Sub-committees role**

10. The Implementer and Donor BLNC Sub-committees shall each convene separately to identify and put forth, under commonly agreed principles and timeline, up to three candidates for either Chair or Vice-Chair, as applicable. The BLNC member from the non-voting partners may, as requested, act as an observer when the two BLNC Sub-committees convene but shall otherwise participate in his/her capacity of non-voting member to the meetings of the full BLNC.
11. In the event that a BLNC Sub-committee puts forth fewer than three candidates, the executive search firm supporting the Board Leadership selection process shall assist Board constituencies in identifying and putting forth additional qualified nominations for review by the BLNC.

### **Work plan**

12. The BLNC shall define and undertake its work according to a strategic work plan agreed between its members. The principal task of the BLNC shall be to review nominations, interview short-listed candidates and to present the final pair of candidates for Board Chair and Vice-Chair to the Board for appointment.
13. Specifically, the BLNC shall:
  - a. Direct and oversee the work of the executive search firm to receive and compile a list of candidate nominations for the roles of Board Chair and Vice-Chair. The executive search firm will also assist the constituencies in carrying out an extensive outreach to identify highly skilled candidates so that the BLNC Sub-committees may then each confirm two or three candidates from their respective voting group;
  - b. Coordinate the enhanced due diligence and background checks undertaken by the executive search firm and support the Ethics Officer in undertaking conflicts of interest assessments;
  - c. Provide to the Board:
    - i. a final pair of candidates for Board Chair and Vice-Chair that represent the highest qualified candidates for the roles based on the Key Competencies provided for in Table 4 of Annex 1 of the BCOP and the Terms of Reference of the Board Chair and Vice-Chair as approved by the Board, also taking into account each candidate's ethical values and history with respect of Global Fund key strategic issues, including gender diversity and the key populations affected by the three diseases; and
    - ii. a report outlining the BLNC's review of the qualifications of the final pair of candidates, which should include the extent to which each candidate fulfills the selection criteria, and the candidates' explicit confirmation of their availability to perform the duties of the Board Chair and Vice-Chair as outlined in the Terms of Reference of the Board Chair and Vice-Chair.

### **Confidentiality**

14. The members of the BLNC shall conduct themselves in a manner that fully respects the privacy and personal reputation of potential candidates as well as the need to promote open and frank discussions during BLNC internal confidential deliberations in accordance

with the Global Fund's Code of Ethical Conduct for Governance Officials and other Global Fund documents relating to information and records management. Discussions within the BLNC shall be kept strictly confidential.

15. Each member of the BLNC will sign a confidentiality agreement, duly uphold its provisions and take responsibility for protecting the confidentiality of BLNC discussions, documents and information. The EGC, in conjunction with the BLNC, shall determine what information may be shared with the constituencies and the respective voting groups.

#### **Decision-making and governance**

16. The BLNC shall seek to make its decisions by consensus. Recognizing that the role of the BLNC is to propose the best possible candidates for the role of Board Chair and Vice-Chair, where consensus may not be obtained, the majority view of the BLNC will prevail.
17. Membership in the BLNC shall not count towards the two-committee limit provided for in Article 43.4 of the BCOP.