
Report of the Coordinating Group

45th Board Meeting

GF/B45/10

11-12 May 2021, *Virtual*

Board Information

Purpose of the paper: This report provides a summary update on Coordinating Group activities for the period between the 44th and 45th Board Meetings (November 2020 to April 2021), and overview of decisions taken by the three committees in this period.

Context

1. This report provides an update to the Board on the activities of the Global Fund Coordinating Group (“CG”). The Coordinating Group comprises the Chair and Vice-Chair of the Board, and the Chair and Vice-Chair of each of the Committees of the Board. As identified in its Terms of Reference,¹ the CG is a mechanism for coordination between the Board and its Committees, to ensure effective collaboration, particularly regarding cross-cutting issues, including risk management and organizational performance, with the overall objective of enabling strategic focus across all governance bodies.
2. The CG continues to convene regularly in the current environment. Since the CG’s last report to the Board in November 2020, the CG held three virtual meetings, in December 2020, January and March 2021. The Executive Director is invited to CG discussions to allow consideration of Secretariat perspectives in the strategic discussions of governance leadership, while other members of management are invited as needed for specific topics. Cg members also exchange between meetings as needed, and there is regular interaction between the Board Leadership and the Chairs and Vice-Chairs of the committees
3. A list of decisions adopted by the standing Committees between the 44th and 45th Board Meetings (November 2020 – April 2021) is included in annex.
4. Current Board and committee work plans will be made available on the Governance Portal. Minutes of CG calls are also made available on the Portal.

What were the focus areas for the Coordinating Group?

5. This report summarizes the CG’s activities in the following areas:
 - i. Ongoing attention to the **strategic focus of Board meetings, Board and committee priorities, committee ways of working and the role of the CG;**
 - ii. The ongoing **strategy development** process and **Partnership Forums;**
 - iii. Progress and ways of working with respect to both the **Monitoring and Evaluation Framework** and the next **Key Performance Indicator Framework;** and
 - iv. The **COVID-19** context and Global Fund response, including associated exceptional decisions;
 - v. **Risk** oversight;
 - vi. **Governance effectiveness, culture and continuity,** and the **Governance Performance Assessment.**
6. **Board and committee priorities** are an ongoing focus of the CG, with routine attention to exchanging on committee priorities, and cross-cutting matters including risk oversight. The CG guided development of agendas for the committee meetings held in March 2021, and the May Board Meeting. Agenda time and volume of deliverables remain challenging, with continued focus on prioritization, to enable effective oversight and continued progress on high-priority strategic issues, and leveraging adaptive working modalities.
7. **Cross-cutting matters.** With respect to cross-cutting coordination, in addition to risk management and strategic performance, the CG has exchanged and considered cross-committee perspectives in relation to ongoing work on (1) monitoring and evaluation; (2) the development of the next KPI Framework; (3) oversight of the Policy to Combat Fraud and Corruption; (4) matters relating to the Prevention of Sexual Exploitation Abuse and Harassment;

¹ [Terms of Reference of the Coordinating Group.](#)

and (5) review of the Operating Expenses cap, to cite key examples. CG members have encouraged cross-committee participation from committee leaders in formal committee meetings, to facilitate consideration of broader perspectives, while respecting respective areas of responsibility in line with Committee Charters.

8. **Strategy development and the Partnership Forums.** As communicated in its last report, the CG remains attentive to ensuring that the strategy development process is open, inclusive and evidence based. CG members participated in, and reflected on, the Intersessional Meeting on Strategy Development in December 2020, noting satisfaction with the progress made, while looking forward to rich input from across the partnership through the 2021 Partnership Forums. In addition, the CG participated in the Partnership Forums, having engaged regularly in the preparations, including with respect to measures to enable effective engagement in the virtual context.
9. **Monitoring and evaluation (M&E).** Development of the M&E framework is a 2021 priority for the Board, supported by the SC. The CG has provided guidance on the establishment of an informal working group, with representation from all three committees. The working group is engaging on workstreams related to the development of the M&E Framework, including the interlinkages and relationship with the KPI Framework, to ensure M&E approaches are aligned to the next Strategy, with particular focus on linkages to risk and assurance frameworks, future of independent evaluation, and approaches to measuring impact and quality, as well as learning. The working group commenced activity in Q1 2021, and is aimed at strengthening the SC's steer and input into near-term M&E discussions and the broader M&E framework.²
10. **Key Performance Indicator Framework (KPI Framework).** In line with the CG's responsibility to facilitate coordination on cross-cutting matters including KPIs, the CG has reflected on appropriate approach to the development of the next KPI Framework. Led by the Strategy Committee Leadership, consideration has been given to effective cross-committee working modalities, and opportunities for engagement at technical and governance levels, building buy-in while avoiding duplication of working groups or development of parallel working modalities. The approach enables distinction between technical inputs and consultation, and governance-level engagement, provides for iterative opportunities for engagement at both levels, is supported by a robust technical process, and leverages the role of the M&E Working Group.³ CG discussions further noted the central importance of a robust KPI framework to effective Board oversight and accountability, and as an enabler of increasingly mature governance.
11. **COVID-19 and the C19 Response Mechanism (C19RM).** This report marks over a year of the CG's engagement in the coordination of decisions enabling the Global Fund to play a leading role in the response to the pandemic. In early 2020, the CG noted the importance of frequent and detailed reporting to the Board and committees, which has continued through written updates, situation reports, and regular calls with the Executive Director. In Q1 2021, the CG was consulted on, and guided consideration of, the second extension of the C19RM.⁴ The CG recognizes and commends the Global Fund's significant role in the COVID-19 response, and welcomes donor contributions to the C19RM. The CG continues to emphasize the ongoing need to be responsive, swift and pragmatic in consideration of exceptional decisions while ensuring governance standards are upheld. CG discussions in relation to the C19RM and COVID-19 response continue to underline the continued importance of regular and transparent reporting, consideration of lessons learned, effective oversight, attention to increased risk, accountability and assurance, as well as broader considerations, such as the impact of the pandemic on domestic financing for health, or implications for Operating Expenses.
12. **Risk oversight.** In March 2021, the CG engaged with the Chief Risk Officer ahead of the Risk Management Report to the committees and Board. The CRO informed the CG that higher inherent risk levels are resulting in an increase in overall risk profile, and outlined a range of successful adaptations introduced to respond to COVID-19-related disruption. The review of risk appetite will be a focus area through late-2021. CG reflections noted the importance of

² See also, GF/SC15/07 – Update on M&E Matters.

³ See also, GF/SC15//11 – KPI Lessons Learned

⁴ GF/B44/EDP18 – Second Extension of the C19RM and Operational Flexibilities: <https://www.theglobalfund.org/board-decisions/b44-edp18/>

effective engagement with the committees, constituencies and Board, as well as the need for particular attention to risks relating to the COVID-19 and C19RM context.

13. **Governance Performance Assessment.** The CG reviewed and discussed the final report of the Governance Performance Assessment in March 2021, and will remain engaged as work proceeds to define a Governance Action Plan version 2.0 to guide prioritized implementation of recommendations. Discussions reflected on the linkages between a clear strategy, strong KPIs, and effective reporting to enable oversight and accountability, as well as initial reflections with respect to recommendations pertaining to committee mandates. The CG recognizes the importance of continued attention to strengthening the effectiveness of the Board and committees, and the need for strong constituency engagement as this work moves ahead.
14. **Governance continuity and culture.** The CG continues to pay attention to governance effectiveness and continuity matters, including with respect to capacity limitations, effective prioritization of work plans and agendas, effective virtual working modalities, and methodologies to build trust and enable inclusiveness.
15. **Effective documentation and efficient information flows** remain essential for governance continuity, for trust building and to enable better decision making. Exploration of efficient methods of information-sharing is ongoing, with the AFC working with the Secretariat on financial dashboards to facilitate reporting and information-sharing. The AFC will engage with SC to ensure a joined-up approach. In addition, the CG committed to monitor progress on documentation quality and volume, and invites feedback from governance officials and management on examples of good practice.

How will the Coordinating Group support Board priorities in 2021?

16. The CG will remain focused on enabling strategic focus at Board and committee level, with ongoing attention to:
 - i. **Finalizing the next Strategy, M&E Framework and KPI Framework**, supported by effective cross-committee engagement and support, in line with mandates.
 - ii. **Enabling strategic discussion and prioritization within governance bodies**, keeping sight of key strategic themes.
 - iii. Continuing to ensure **effective oversight of the Global Fund's COVID-19 response**.
 - iv. **Risk oversight**, including dedicated attention to evolving and emerging risk areas, the effective coordination of risk oversight by the committees and Board, and the review of the Global Fund's risk appetite approach.
 - v. **Operating Expenses.** An informal working group on OPEX will be established to enable AFC steer and input on alignment of the operating expenses budget to the new strategy. The informal working group will liaise with the Strategy Committee to understand emerging needs in relation to ongoing discussions on the next strategy.
 - vi. **Governance Performance Assessment.** The CG looks forward to supporting consideration and implementation of associated recommendations across the governance bodies, under the leadership of the EGC and the Board.
 - vii. **Governance continuity** and adaptability to the global context, including with respect to committee and Board ways of working, information flow and communication.
 - viii. **Governance Culture.** Led by the EGC, the CG continues to be attentive to the work on enhancing trust, led by the EGC. Furthermore, the CG looks forward to contributing to progress on work relating to committee mandates and clarity of roles and responsibilities, noting the recent recommendations of the Governance Performance Assessment in this area.

Annex: Committee Decisions adopted between the 44th and 45th Board meetings (available on the [Governance Portal](#)).