

M O R R O W
S O D A L I

THE GLOBAL FUND 2023-24 GOVERNANCE PERFORMANCE ASSESSMENT: DRAFT REPORT

MARCH 2024

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I. ABBREVIATIONS / ACRONYMS

ABBREVIATION	MEANING
AFC	Audit and Finance Committee
The Board	The Global Fund Board
CCM	Country Coordinating Mechanism
CFPs	Constituency Focal Points
Donor Constituency	As per Provision 1.3 of the Operating Procedures, a constituency of the Global Fund Board that is part of the group encompassing the eight donor country representatives, the private sector representative, or the private foundation representative
EGC	Ethics and Governance Committee
GPA	Governance Performance Assessment
IEP	Independent Evaluation Panel
Implementer Constituency	As per Provision 1.3 of the Operating Procedures, a constituency of the Global Fund Board that is part of the group encompassing the seven developing country representatives, the representative of an NGO who is a person living HIV/AIDS, or from a community living with tuberculosis or malaria
OPEX	Operating Expenditure
PPR	Pandemic Preparedness and Response
RSSH	Resilient and Sustainable Systems for Health
Strategy	The Global Fund, Fighting Pandemics and Building a Healthier and More Equitable World, Global Fund Strategy (2023-2028), approved by the Global Fund Board (GF/B46/DP03) on 8 November 2021
Secretariat	The Management Executive Committee and other selected members of staff
TRP	Technical Review Panel

II. EXECUTIVE SUMMARY

1. The Global Fund's governance has been on an upward trajectory, having been strengthened significantly over the past five years. For many, the governance design has been integral to the organisation's success and impact. The supreme governance body of the organisation is the Global Fund Board (the "Board"), which has responsibility for ensuring that the purpose of the Global Fund is effectively conducted. The 2024 Governance Performance Assessment found that, overall, the Board is effective in undertaking its core functions (such as oversight of risk and internal controls, the use of financial resources, and the mobilisation of resources) and contributes to the Global Fund's continued success.
2. As a stakeholder board, the Global Fund's Board is composed of twenty voting members drawn from the Global Fund's constituencies and eight ex-officio members without voting rights (five of which are key partners). Members of the Global Fund's governing bodies play a dual role, whereby they represent the views and interests of their constituency whilst being fiduciaries for the collective of all stakeholders, and thus owing an ultimate "duty of care" to the Global Fund. Whilst the Global Fund's constituencies come together for a common purpose, their interests are not always aligned, and tension can sometimes arise between the interests of constituencies and that of the Global Fund more broadly. This inherent, or structural, tension contributes to several of the Global Fund's key governance challenges. Action is therefore needed to reinforce Board members' duty of care to the Global Fund and constituencies' responsibility to support, enable, and empower Board members to fulfil this duty of care.
3. It is recognised that the practice of reading out prepared statements is a product of Board members' need to ensure the voice of their constituency is properly represented and portrayed at the Board, yet it negatively affects the dynamics on the Board as a deliberating body. Some Board members' feel empowered to go beyond their pre-written statement and proactively engage in discussions, but this feeling is not shared by all. Thus, it is important to enhance the effectiveness of Board meetings as a space for interactive discussion, strategic oversight, and clear direction setting.
4. A side-effect of 'statement reading' during Board meetings is that informal spaces have become the fora where much of the open exchange and organic discussion takes place. The 2023 November retreat, for example, was cited as offering a "safe" space for discussion, supporting collegiality between Board members, and fostering trust. A few though consider that retreats could still be improved, with donor constituencies generally viewing them more negatively than implementers. Irrespective, retreats appear effective at freeing up meeting agenda space and facilitating more open discussions. The question remains to make them effective in terms of follow up and affecting the subsequent Committee and Board meetings.
5. Another governance challenge is the Board's insufficient attention to and discussion of prioritisation and trade-offs. Given the changing landscape of global health and the varied priorities and approaches reflected on the Global Fund Board, it is critically important that the Board weigh trade-offs and provide a clear sense of priorities to guide the Global Fund. There is a sense that the Board's inability to do so leads to a lack of clear guidance to the Secretariat.
6. The Board is highly praised for bringing such diverse stakeholders around the table for collective commitments. These constituencies have varying levels of resourcing available to them. Donor constituencies tend to have greater resourcing support in comparison to implementer constituencies, and this disparity leads to the perception that implementer constituencies may be less vocal and engaged at Board meetings. For example, given the vast agendas of the Board, meeting materials are extensive and are not optimally designed or framed to help the Board to focus on the key strategic

issues, weigh trade-offs, and deliver a clear steer for implementation. In this regard, donor constituencies typically maintain dedicated teams to read and synthesize meeting materials and assist in the preparation of statements, meetings, calls, and general engagement; a level of resourcing not usually available to implementer constituencies, even with funding support provided by the Global Fund.

7. Despite these perceived imbalances, donor and implementer constituencies both felt they can effectively participate in decision-making in a balanced manner, aided by efforts to mitigate gaps in implementer constituencies' funding.
8. The performance of the Board's Committees is generally considered adequate. However, issues discussed by Committees are often also discussed by the Board, and this leads to issues being deliberated twice - an inefficient use of Board and Committee time. Moreover, Board meeting materials sometimes do not adequately reflect how Committee discussions have advanced or focused the questions under consideration, leading to the tendency to repeat discussions. As such, additional efforts are needed to ensure that the Board better leverages the work of the Committees and does not duplicate Committee discussions in Board meetings.
9. Turning to the profile of the Board, the Board is large, but its size appears appropriate given the Global Fund's nature and the needs of the organisation from its Board. The distribution of Board seats within donor and implementer constituencies may require review to ensure it fits the current and future activities of the Global Fund and to reflect the breadth of its stakeholders. Regarding donor seats, there is a concern that members of the Additional Public Donors constituency and new donors may not be incentivised to engage unless a clear pathway to integrating them into voting constituencies is provided. Regarding implementer seats, many participants noted that Africa should have a much stronger voice in Global Fund governance, given that it receives the majority of funding.¹ Separately, it was felt that the profile of Board members could reflect more seniority in relevant institutions while also bringing younger voices to the table. Further, it was felt that term lengths of two years leads to a lack of institutional memory. Therefore, it is necessary to align the Board's composition to the Global Fund's current and future needs.
10. Constituencies' internal practices are characterised by their uniqueness and diversity. Under the principle of constituency ownership, each constituency determines its own practices, leading to many different practices, with no two constituencies being the same. These variations relate to many aspects, including the capacity of their Board member, the length and detail of their frameworks, performance assessments, preparation and organisation ahead of meetings, the approach to rotating and nominating their Board member, and the funding and support they receive. There was also a lot of variation in the level of engagement between different constituencies, which may be hampered by factors such as the constituency's resourcing capacity and language differences. The Donor and Implementer Groups were praised for helping engagement within those constituencies, but engagement between the two groups was more limited. Importantly, the performance of the constituency engagement and organising is seen to have a direct impact on the quality of the Board engagement and outcomes. As a result, there is a need to strengthen constituency engagement practices for effective constituency representation and effective Global Fund governance.
11. The relationship between the Board and the Secretariat is always a sensitive and important one in multistakeholder organisations and the level of trust is commonly an issue. This evaluation notes an improvement since the previous governance assessment, but factors such as asymmetry in Board

¹ We understand that this matter will be addressed in an upcoming review of Board composition.

and Secretariat tenures, the impact of Covid-19, and information sharing have meant that trust remains a concern. On the Secretariat's side, there is a feeling that the Board spends too much time on operational issues, rather than providing the clear strategic guidance needed. This is seen in part to be a result of the different priorities and interests of the constituencies, which leads them to ask for additional information (with this additional information often taking an operational slant). The subsequent disconnect and ongoing tension between the Board and the Secretariat is not conducive to dealing with the complex challenges of the global health landscape, which demands a focused Board that is able to effectively prioritise and commit (particularly ahead of the upcoming Eighth Replenishment). There is a strong need to work on ways to build and strengthen the trust in the relationship between the Board and the Secretariat.

III. INTRODUCTION

MANDATE

12. In line with the Global Fund's Governance Performance Assessment Framework, Morrow Sodali was retained in 2023 to undertake a Governance Performance Assessment ("GPA"). The GPA had six key objectives:
 - 12.1. Provide the Global Fund with a full picture of the effectiveness of Board in fulfilling its mandate across its core functions and in meeting its key performance indicators;
 - 12.2. Assist the Global Fund through assessing the Board's capability to ensure the organisation delivers on the Global Fund's Strategy (2023-2028) in its capacity as supreme governing body and responsibility for strategic direction and decisions;
 - 12.3. Enhance the effectiveness of the Global Fund's Board by identifying possible improvements in delivery of its mandate, the definition of its mandate, and composition, structure, functioning, culture, and operation;
 - 12.4. Provide a view of the effectiveness of the Committees' support to the Board;
 - 12.5. Raise comfort among the Board members and key stakeholders regarding the adequate fulfilment and commitment of their collective responsibilities to the Global Fund;
 - 12.6. Facilitate alignment with international best practice in order to enhance overall functioning of the Governing Bodies and the Global Fund's performance.

SCOPE

13. The scope of the GPA focused on the effectiveness of the Global Fund's Board, with a specific focus on the following areas:
 - 13.1. Key responsibilities of the Board;
 - 13.2. Board profile and composition;
 - 13.3. Board dynamics;
 - 13.4. Constituency engagement;
 - 13.5. Board leadership;
 - 13.6. Relationship with the Secretariat;
 - 13.7. Board functioning, processes, and support;
 - 13.8. Committees' support to the Board.

METHODOLOGY

14. Our diagnostic phase has included:

14.1. Review of the Global Fund’s key governance documentation provided by the Legal and Governance Department. This included the Global Fund Bylaws, Operating Procedures of the Board and Committees, Board and Committee documents, and constituency frameworks, among others.

14.2. Online survey: a bespoke and tailored survey for the Global Fund stakeholders was prepared and shared through our secure online platform BoardMirror® (the “survey”). The survey built upon the previous survey used in the 2020-21 GPA, and also reflected other key governance aspects (including a section on constituency engagement, which was not explored in the 2020-21 GPA).

14.2.1. In total, 128² participants submitted responses to the survey, representing a 69% participation rate (of these, 117 respondents completed the survey in full, giving a 63% completion rate). This included responses from Board members and Alternate Board members, Management Executive Committee and other key staff, Constituency Focal Points (“CFPs”) and Selected Constituency Members,³ the Coordinating Group, Committee members, and the TRP and IEP Chairs.

14.2.2. Each Survey respondent indicated their level of agreement with specific statements. The following scoring system was employed:

Response	Score
Strongly Agree	2
Agree	1
Neither Agree nor Disagree	0
Disagree	-1
Strongly Disagree	-2
Don't Know	Not Scored

14.2.3. Responses were analysed according to their relative scoring (for example, highest and lowest scoring responses), as well as extent of convergence and divergence.

² Participants were split into six stakeholder categories, with each group receiving a survey that was tailored to that category. This split allowed us to both view the results for the aggregate of all stakeholders as a whole as well as the results of each individual stakeholder category.

³ Two delegates from each constituency were selected to complete the survey. These delegates, who do not hold another governance position at the Global Fund were chosen at random, with the caveat that we sought to ensure a balance was struck in terms of gender and geographies.

- 14.3. Interviews: following the surveys, one-on-one interviews were conducted with Board members, selected MEC and staff, Coordinating Group, CFPs, and the IEP Chair. In total, 49 interviews were held, giving an overall attendance rate of 75% of interview requests sent. The final list of interviewees was shared with the Legal and Governance Department to ensure participants were adequately representative of the Global Fund stakeholders.
- 14.4. Board and Committee observation: Finally, our diagnostic was complemented by in-person observation of the Global Fund's November 2023 Board meeting, as well as online observation of the October 2023 Committee meetings. We used our bespoke methodology for aggregating and consolidating observations from meeting participation to reflect on the meeting dynamics.
15. In this Report, our recommendations are based on a comprehensive analysis of both qualitative and quantitative data, as well as best practice. Given that our interviews further explored specific survey responses, this qualitative data provided deeper insights that sometimes indicated a different view from what the quantitative data indicated.
16. In addition, the anonymity of all survey respondents and interviewees has been strictly maintained. All results are aggregated and any quotes from the comments submitted or interviews have been anonymised throughout this Report to protect confidentiality.
17. This Report has been shared with the Legal and Governance Department and the Ethics and Governance Committee Leadership, who provided comments which were used to update the Report. A synthesis of the findings will be presented to the Ethics and Governance Committee at the March 13 meeting, and to the Board as part of the April meeting.

STRUCTURE OF THE REPORT

18. The Report builds on key themes that emerged from our review, and is structured according to the following evaluation themes:
 - 18.1. Duty of Care to the Global Fund.
 - 18.2. The Board's Role and Responsibilities;
 - 18.3. Board Dynamics and Functioning;
 - 18.4. Board Committees;
 - 18.5. Constituency Engagement;
 - 18.6. Board Profile;
 - 18.7. Relationship between the Board and Secretariat.

IV. OVERVIEW OF SURVEY RESPONSES



19. Below is an overview of the average scoring among all survey respondents of the different sections of the survey, including a comparison with the scores of the previous GPA. Please note that not all survey respondents completed all sections or questions as the questions were tailored to each stakeholder category. Further, the questions and sections are not identical to the previous survey, although a majority of questions were repeated to allow for trend comparison.⁴

2024 RANK	EVALUATION THEME / SECTION	AVERAGE SCORE 2024	AVERAGE SCORE 2021
1	Section I: Board Leadership	1.19	1.18
2	Section B: Governance Oversight	1.06	0.91
3	Section K: Effectiveness of Coordinating Group and Committees	0.99	0.83
4	Section L: Effectiveness of the Strategy Committee	0.95	1.01
5	Section D: Risk Governance and Internal Controls	0.90	1.00
6	Section M: Effectiveness of the Audit and Finance Committee	0.87	1.07
7	Section N: Effectiveness of the Ethics and Governance Committee	0.86	1.01
8	Section A: Oversight of Strategy and Performance	0.83	0.73
9	Section C: Engagement with Partners and Stakeholders	0.81	1.13
10	Section G: Board Dynamics and Culture	0.76	n/a
11	Section J: Constituency Engagement	0.75	n/a
12	Section E: Relationship with Secretariat	0.71	0.61
13	Section F: Board Profile and Composition	0.64	0.67
14	Section H: Board Functioning, Processes, and Support	0.56	n/a

⁴ Though we provide a comparison between those results obtained in each section in the 2021 and 2024, we note though that the 2024 survey includes some new questions and others have been modified. In addition, the 2024 survey included an adjusted scoring system, with the introduction of the “Don’t Know” response (see paragraph 14.2.2).

20. The table below shows the ten most positive and negative responses across all survey participants.

TOP 10 SCORING QUESTIONS	SCORE	BOTTOM 10 SCORING QUESTIONS	SCORE
My constituency effectively contributes and participates in Board meetings.	1.31	Board members act based on the objectives and interests of the Global Fund as a whole, rather than the interests of particular constituencies.	0.07
The Board Chair effectively discharges their responsibilities as outlined in its Terms of Reference.	1.30	The number of items on the Board meeting agenda is appropriate.	0.15
The Board is adequately involved in the process of appointing the Executive Director.	1.28	Board members are comfortable in engaging in constructive challenge and debate at Board meetings.	0.39
The Audit and Finance Committee's mandate is appropriate.	1.26	The Board materials are timely, relevant, of high quality, and appropriate in volume.	0.40
Overall, the leadership of the Strategy Committee is effective.	1.25	There is a clear understanding of where the Board's role ends and the Secretariat's role begins.	0.40
The Audit and Finance Committee is effective in providing oversight of the financial management of the Global Fund's resources.	1.24	The distribution of competencies and experience across constituency members is satisfactory.	0.41
The Board is adequately involved in the process of appointing the Inspector General.	1.22	The Board regularly provides clear guidance to the Secretariat.	0.44
The Board Vice Chair effectively discharges their responsibilities as outlined in its Terms of Reference.	1.21	Board dynamics (the way individual Board members interact with each other in carrying out their duties) allow for a productive exchange and effective decision making.	0.47
The Board Leadership promotes a culture of openness and trust by encouraging constructive dialogue among Board members.	1.21	The Board, with the support of the Strategy Committee, is able to effectively leverage inputs from the Evaluation Function (Independent Evaluation Panel and Evaluation and Learning Office) in the Board's work.	0.49
Oversight of the Global Fund's financial resources and performance by the Board, supported by the Audit and Finance Committee, is effective.	1.19	Board discussions have an adequate strategic focus.	0.50

 Indicates that the question was in the 10 most positive responses in the 2021 GPA
 Indicates that the question was in the 10 most negative responses in the 2021 GPA

V. EVALUATION THEMES

I. DUTY OF CARE TO THE GLOBAL FUND

Bringing constituency perspectives and interests to the Global Fund discussions is important to inform and enrich decision-making. However, Board members' final duty of care lies to the Global Fund, and so it is imperative to find common ground to reflect the organisation's mission and best interests.

21. The Global Fund's Board consists of twenty voting members⁵ with equal representation of implementers and donors.⁶ The Board also consists of eight ex-officio non-voting members: five other key stakeholders,⁷ and the Chair, Vice-Chair and Executive Director. The voting members consist of seven representatives from developing countries, eight donor representatives, and five representatives from civil society, communities, and the private sector. There is also significant diversity within many of the constituencies, with some featuring members from up to 35 organisations/countries. This approach allows the Board to embody the multistakeholder partnership of the Global Fund and enables the voices of leading stakeholders to be heard in an inclusive way. The diverse representation on the Board was highlighted by many as one of the Global Fund's biggest strengths and was a very appreciated characteristic.

"The beauty of the Global Fund is its partnerships; strongly diverse. It's refreshing having donors and implementers together."

22. At the same time, the diversity in the Global Fund constituencies is also recognised to be a significant contributor to the complexity of its governance: Board members play a dual role by both representing their constituency and owing a "duty of care"⁸ to the Global Fund and its best interests.
23. Many survey and interview participants used the term "duty of care" when referring to their dual-hatted role of representing their constituency while acting in the best interest of the Global Fund. However, we note that the language of "duty of care" is not used consistently throughout the governance documentation. Nonetheless, this term is found, for example, in the Ethics and Integrity Framework, which breaks the duty of care down into three obligations: "to (i) operate in the best interests of the Global Fund; (ii) act as proper and diligent stewards of Global Fund resources; and (iii) demonstrate the highest standards of professionalism in meeting responsibilities"⁹, as well as the Onboarding Guide for Board Members which states "As a Board Member or Alternate, you hold a seat in the governing body of the Global Fund. While tasked with representing your constituency, you have a duty of care to act in good faith and in the best interests of the Global Fund, in furtherance of its mission."¹⁰

⁵ Board members may also appoint one Alternate member to serve in their stead.

⁶ Operating Procedures of the Board and Committee of the Global Fund, 14 June 2022, Article 1.3.

⁷ The WHO, UNAIDS, the World Bank, Partners, and Additional Public Donors.

⁸ We note that what is referred to as "duty of care" within the Global Fund is constituted by elements that would typically be understood to fall under a board member's "duty of loyalty". However, we have chosen to use the term "duty of care" though, as this is how the elements are understood within the Global Fund.

⁹ The Global Fund, The Ethics and Integrity Framework, November 2014 at Section 02

¹⁰ Onboarding Guide for Board Members, February 2023, at Section 3.3

24. Elsewhere in the governance documentation, references are also made to Board members' dual-hatting role, including in the Bylaws,¹¹ Constituency Management Guidelines 2023,¹² Code of Conduct for Governance Officials,¹³ and several constituency frameworks.
25. A key concern raised by the survey and interview participants is that, in practice, Board members may struggle to adequately balance the interests of their constituency and the Global Fund more widely. Whether Board members act based on the objectives and interests of the Global Fund as a whole, rather than the interests of their constituency, was the lowest overall scoring question in the entire survey for the Board¹⁴ and Secretariat (as shown in Exhibit 1 below).
26. We have identified that there are often three levels of interests that Board members must balance:
- 26.1. The interests of the organisation/country of original affiliation of Board members and Alternate Board members.
- 26.2. The interest of the constituency as a whole.
- 26.3. The interest of the Global Fund as a whole.
- Board members must bring the views of their constituency to bear in articulating and advancing the interest of the Global Fund.
27. There was a divergence on whether the "right balance" is being struck between Board members serving their constituency and acting in the Global Fund's best interests. This was in the ten lowest scoring questions for Secretariat, whereas a large majority of Board members felt that the right balance is being struck (see Exhibit 1 below). In the interviews, several Board members expressed more concern about this issue that they indicated in the survey responses.

"Some act in the overall interests of the Fund as a whole, but not all do."

"The Board rarely acts for the Global Fund as a whole and most of the time as a parliament of different constituencies."

¹¹ Bylaws, Article 7.2: "Board Members shall be deemed to act in their capacity as representatives of their respective governments, organizations, constituencies or other entities... Subject to their respective representative roles, Board Members shall act in good faith in the best interests of the Global Fund in furtherance of its purpose."

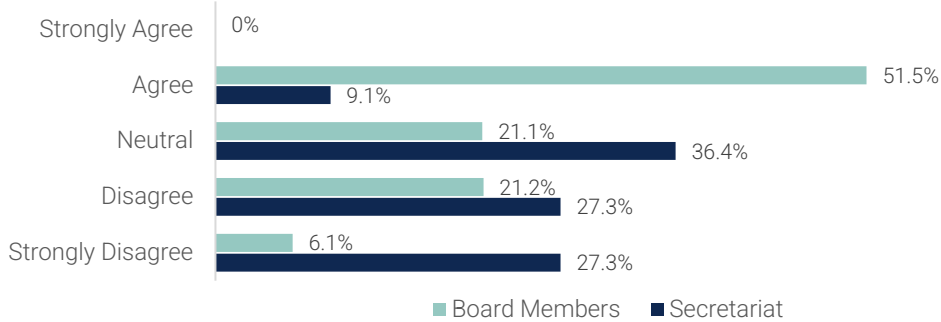
¹² Constituency Management Guidelines, Section 4.1: "The Board Member and Alternate Board Member represent the Constituency's views at the Board and serve in the best interests of the Global Fund."

¹³ Code of Conduct for Governance Officials, Sections 10 and 13

¹⁴ Throughout the Report, when we make reference to "Board members" in relation to the survey responses, this includes both the Board members and the Alternate Board members.

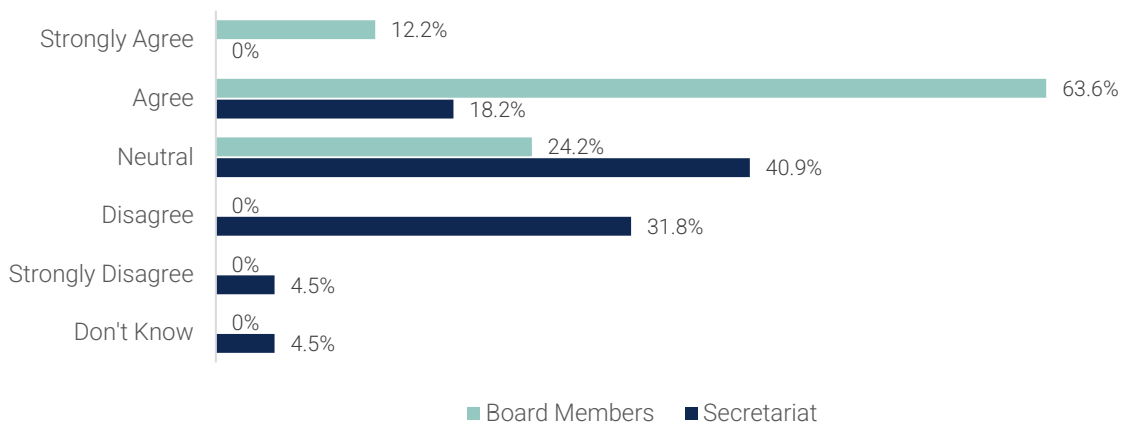
EXHIBIT 1: BOARD MEMBERS' DUTY OF CARE AND REPRESENTATION OF THEIR CONSTITUENCY.

Board members act based on the objectives and interests of the Global Fund as a whole, rather than the interests of particular constituencies.



[Board 2024 average = 0.18] [Secretariat 2024 average = -0.73]

Board Members and Alternate Members strike the right balance between serving their constituencies and acting in the best interest of the Global Fund.



[Board 2024 average = 0.88] [Secretariat 2024 average = -0.24]

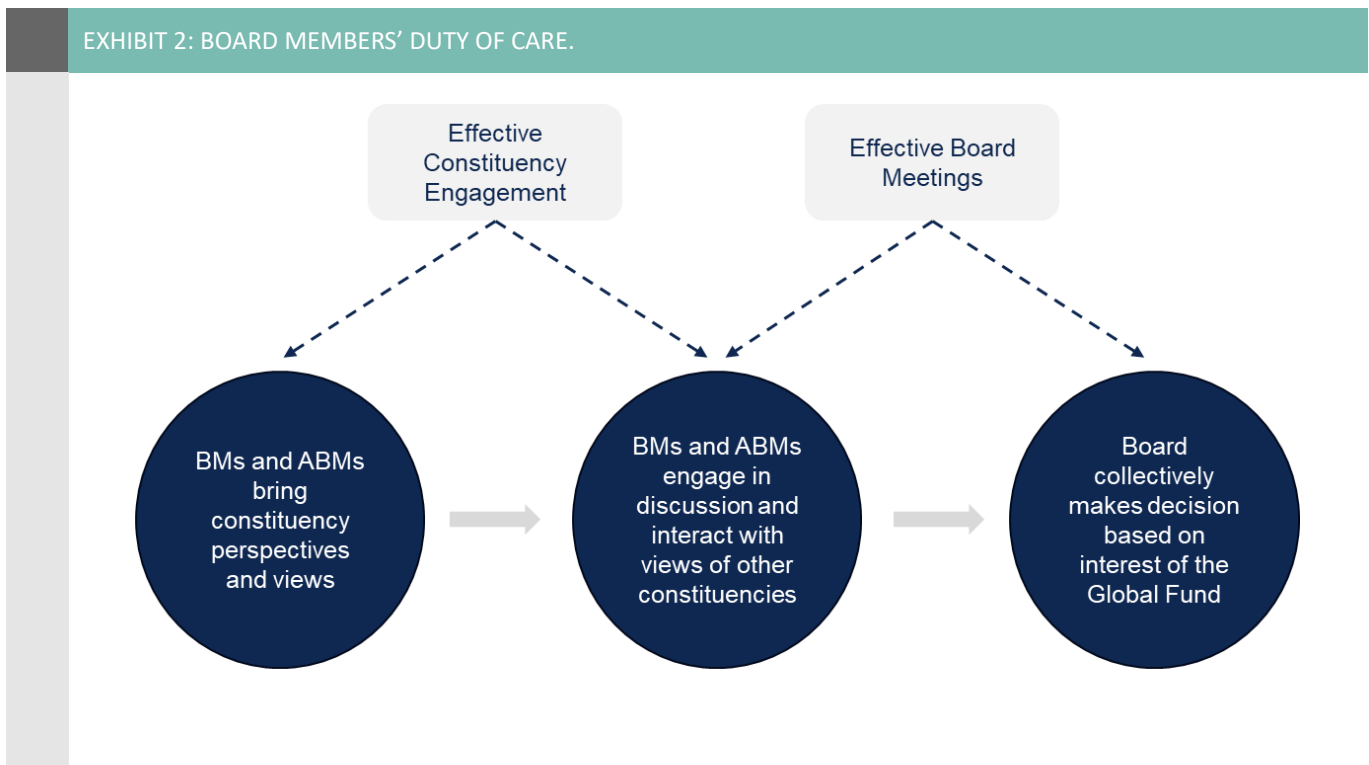
28. Some participants acknowledged that this inherent tension of a constituency-based Board is both understandable and unavoidable.

"Board members are representing their countries and/or organizations so it's difficult to put the Global Fund ahead of that."

"Board members are clearly driven by the Global Fund's mission and values but often have their own red lines."

"I don't think it is entirely clear how they are supposed to act in different situations, given the design of the Board. Certainly many act in ways which are clearly driven by their own constituency's interests and they will be open about it, too, and it's not clear to me that they're doing the wrong thing."

29. While the balance between constituencies and the wider organisation is a structural tension hardwired into any constituency-based Board (and the diversity of constituency views, in principle, contributes to the richness and resilience of decisions), there is a heightened sense that, if the diverse constituencies cannot find common ground, this can pose a serious risk to the Global Fund in the current global health landscape.
30. One should note though that the duty of care to the Global Fund does not mean that Board members cannot discuss the realignment of the Global Fund’s mission (constituencies’ views are critical to ensuring that the mission serves all of the organisation’s stakeholders); it simply means that the Board needs to be able to reach a unified decision on what this mission is. This may involve a Board member diverging from their constituency’s instructions in order to articulate a mission in the best interests of the Global Fund as a whole.
31. Exhibit 2 illustrates three steps in the process of Board members balancing their constituency representation role with their duty of care to the Global Fund more broadly: first, bringing their constituencies’ views to Board deliberations; second, engaging in discussion with the views of other constituencies; and third, being prepared to make decisions and find solutions in the interest of the Global Fund (even if it means putting aside their constituency’s original view). Steps 1 and 2 are enabled by effective engagement within constituencies and steps 2 and 3 are enabled by effective Board meetings.



32. The pull toward constituency representation contributes to several key issues that arose as part of this GPA, including: Board meetings being dominated by reading out prepared statements (see *Section III. Board Dynamics and Functioning*); a lack of open and dynamic discussion (see *Section III. Board Dynamics and Functioning*); and the lack of unified and consistent direction from the Board to the Secretariat (see *Section VI. Relationship between the Board and Secretariat*).
33. It seems imperative to elevate and acknowledge the tensions between Board members representing the views of their constituencies and engaging in discussion, compromise and decision-making with

a duty of care to the Global Fund in mind. It could be beneficial to discuss duty of care in concept and practice, as well as developing a sense of the cost and risk of leaving this tension unattended. More generally, Board Leadership, through attentive meeting facilitation, should encourage the practice of supplementing one’s constituency position with a broader perspective on the Global Fund’s role, realities, and impact globally.

34. Constituencies are gathered together on the Board to advance the mission of the Global Fund by bringing to bear their diverse experiences and perspectives. Every constituency must recognise that all Board members ultimate duty of care is to the Global Fund, and that every constituency without consideration for the Global Fund’s interests as a whole.
35. All constituency members should work to support, enable, and empower their Board and Committee members to fulfil their duty of care and engage actively in discussion and contribute to decisions in the interest of the Global Fund’s mission and impact. This responsibility should be clearly articulated in constituency documents and reflected in each constituency’s ways of working.
36. This should also be reinforced in the inductions for Board and Committee members, CFPs, and constituency members, and outlined in the Global Fund’s governance documentation. Constituencies could also benefit from reflecting this in their constituency framework as the Private Sector Constituency’s does, with their framework stating that *“the Board Member and Alternate represent the views and interests of the Private Sector Constituency, and not those of their employer, with an ultimate aim of ‘duty of care’ for the Global Fund.”*

RECOMMENDATIONS

37. Several of the issues surfaced in this assessment (such as the reading of prepared statements, lack of dynamic discussions and not considering trade-offs) stem from tension between the Board member’s duty of care to the Global Fund and their role representing their constituency. While this is a structural tension hardwired into any stakeholder-based Board (and the diversity of stakeholder views contributes to the richness and resilience of decisions), there is a heightened sense that it is imperative to find common ground to reflect the organisation’s mission and best interest.
38. Therefore, our recommendations are aimed at:
 - (i) Articulating an understanding of duty of care throughout the Global Fund.
 - (ii) Helping Board members to balance constituency and Global Fund interests in decision-making.

Rec. 1	The Board should discuss, explore, and articulate what Board members’ duty of care means conceptually and what it looks like in practice, when applied in parallel with the role of representing the views of their constituencies. Based on this discussion, the Board should delegate to the EGC the planning and oversight of activities to ensure an aligned understanding of Board members’ and Committee members’ duty of care to the Global Fund.
Rec. 2	Board Leadership, through attentive Board meeting facilitation, should encourage the practice of Board members not only speaking to their constituency’s position but also reflecting on the Global Fund’s interest, needs and realities more broadly, and impact globally.

<p>Rec. 3</p>	<p>All constituency members should work to support, enable, and empower their Board and Committee members to fulfil their duty of care to the Global Fund. This responsibility should be clearly articulated in constituency documents and reflected in each constituency's ways of working (i.e. setting out parameters within which Board members can engage in unscripted debate, exchange and decision-making to advance the mission of the Global Fund).</p>
<p>Rec. 4</p>	<p>Inductions (and refreshers as needed) for Board and Committee members, Constituency Focal Points, and constituency members should reinforce Board members' duty of care to the Global Fund, whilst recognising their mandate of representing their constituency's views.</p>

II. BOARD'S ROLE AND RESPONSIBILITIES

There is a broad consensus that the Global Fund's Board is strong and undertakes many aspects of its functions effectively.

39. According to the Global Fund statutes, the Board is the supreme governing body of the organisation and is responsible for ensuring that its purpose (*"to attract, leverage and invest additional resources to end the epidemics of HIV/AIDS, tuberculosis and malaria to support attainment of the Sustainable Development Goals of the United Nations"*¹⁵) is carried out.¹⁶ In doing so, the Board undertakes six core functions: strategy development; governance oversight; commitment of financial resources; assessment of organisational performance; risk management; and partnership engagement, resource mobilisation, and advocacy.¹⁷
40. Stakeholders' perception of the Board's effectiveness in undertaking these six core functions was assessed across four sections of the survey. The average score for all questions pertaining to the Board's role and responsibilities (as shown above in *Overview of Survey Responses*) indicates that there is a broad agreement among stakeholders that the Board is effectively undertaking many of the key aspects of its role. In addition, the Board's performance was perceived positively among many interviewees, some of whom noted that it performs significantly better than the boards of comparable organisations with stakeholder representative boards. It was also felt that there has been significant improvement in the Board's effectiveness since the Global Fund's inception, with some participants expressing that the Board has been on an upward trajectory over the past decade.

"I think the governance arrangement at the Global Fund's now is in a much better state than what it was 10 years ago. [...] I think the organisation is in good shape generally."

A. STRATEGY DEVELOPMENT

The Board does not sufficiently discuss the prioritisations and trade-offs necessary to achieve strategic goals and to constructively discuss the Global Fund's core purpose.

41. As noted above, the purpose of the Global Fund is to end the epidemics of HIV/AIDS, tuberculosis, and malaria to support attainment of the Sustainable Development Goals. Similarly, the 2023-2028 Strategy acknowledges that *"The primary goal of the Global Fund is still to end AIDS, TB and malaria."*¹⁸
42. Nonetheless, the changing landscape in the global health environment has led to an evolving context and priorities (such as climate change and sustainability, pandemic preparedness and response ("PPR"), and Resilient and Sustainable Systems for Health ("RSSH"), among others), particularly given the interlink between these emerging challenges and the three diseases.¹⁹

¹⁵ Bylaws of the Global Fund to Fight AIDS, Tuberculosis, & Malaria, 10 November 2021, Article 2.

¹⁶ Ibid., Article 7.4

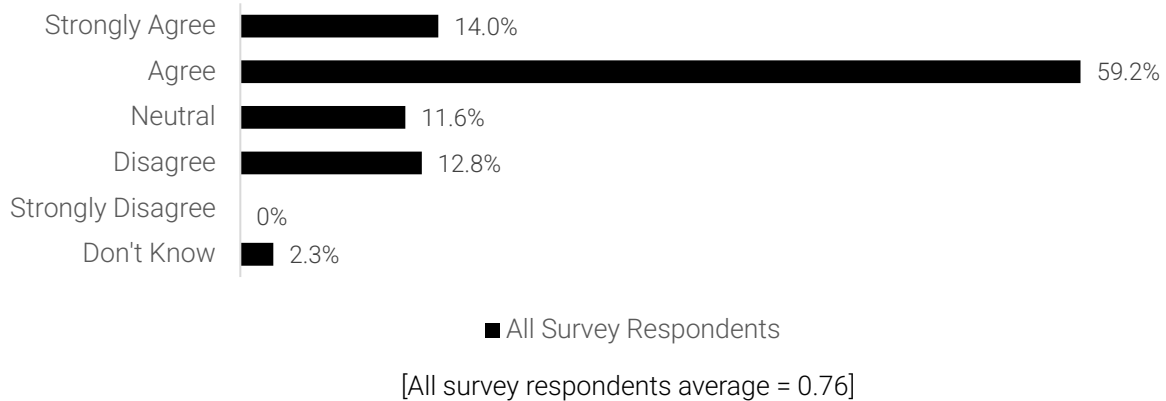
¹⁷ Ibid., Article 7.4

¹⁸ The Global Fund, Fighting Pandemics and Building a Healthier and More Equitable World, Global Fund Strategy (2023-2028) approved by the Global Fund Board (GF/B46/DP03) on 8 November 2021

¹⁹ Such as climate change leading to resurgence of malaria in areas where it had been decreasing.

43. There was tension expressed by several interview participants centred on how the Global Fund was expected to tackle these emerging issues whilst balancing and prioritising the work on fighting the three diseases – its foundational purpose. Some interviewees expressed that while the emerging issues are important, the Global Fund was created for a clear purpose that has not yet been accomplished; others questioned whether the purpose should follow the funders’ priorities or the vision of the implementers. These tensions make it ever more important for the Board to discuss prioritisation and trade-offs necessary for the Global Fund to achieve its strategic goals.

EXHIBIT 3: THE BOARD EFFECTIVELY SETS AND ADAPTS, AS NEEDED, THE STRATEGIC DIRECTION OF THE GLOBAL FUND.



44. The majority of survey participants from both the Secretariat and the Board felt that the Board is effective when it comes to setting the strategy and overseeing the strategy development process (as seen in Exhibit 3 above). However, a key area of concern expressed by many interviewees, from both the Board and Secretariat, is that the Board does not discuss the prioritisation of the different aspects of the agreed strategy. It is also felt that the Board does not sufficiently considered the different trade-offs that may need to be made if one area of the strategy is prioritised for implementation, as this would entail more limited implementation of another aspect.
45. Two main views were expressed. The first is that the Board is perceived to not be providing sufficiently clear guidance to the Secretariat on what priorities for the implementation of the strategy should be. The second perspective is that the issue flows from a lack of follow-up by the Secretariat on decisions made by the Board, which limits the Board’s ability to oversee implementation. These two viewpoints are not mutually exclusive. The result is that the Board’s dynamics and format do not provide adequate direction to the Secretariat, which is left with parallel statements that they have to try and interpret the best they can – much to both the Board and Secretariat’s frustration.
46. The lack of discussion of trade-offs can be seen in the Secretariat’s responses to whether the Board is able to effectively oversee and guide strategy implementation, which only received a score of 0.29 (a similarly low score of 0.27 was received in the last GPA). This can be contrasted with a score of 0.88 from Board members (up slightly from 0.77 in the last assessment), which is perhaps reflective of the Secretariat’s frustration with the lack of guidance on prioritisation from the Board.

“The Board struggles to prioritize and adapt to changing circumstances and available resources.”

“The new strategy is a vast improvement on the previous one, but it still dodges the trade-offs – i.e. it adds new priorities or intensifies existing ones, but nothing is deprioritised. While making the trade-offs may be too much to expect, given the divergence of interests, greater recognition of these trade-offs would be helpful.”

47. Both Board and Secretariat members expressed that there is an expectation for the Secretariat to deliver on all the aspects included in the Strategy. Despite a successful replenishment cycle that raised US \$15.7 billion,²⁰ the strategy was costed on meeting the stretch fundraising target of US \$18 billion. However, the strategy has not been prioritised to reflect that the stretch target was not met, which results in the perception of underperformance, as the Global Fund is expected to undertake all aspects of its strategy, for which US \$18 billion was anticipated as being necessary for full implementation.²¹
48. It was acknowledged too that this issue may be exacerbated by the Board not receiving the information it feels is necessary to properly consider and debate trade-offs. It was also felt that when trade-offs are presented to the Board, they could be better described (see *Section III. Board Dynamics and Functioning*). Interviewees felt that when guiding the Board on trade-offs, there is a need to try and be “as clear and concise as possible, really flagging the trade-offs and the advantages and disadvantages of each position.”
49. The focus on the need to discuss and resolve trade-offs was flagged by multiple survey respondents from the Board, Secretariat, and constituency representatives as one of the key priority areas that needs to be improved and was cited as the most pressing challenge for the Board.

“Discussing trade-offs relating to strategy delivery [is a key priority for the Board]. The strategy was adopted before the replenishment, which then came in at more than USD 2 billion under target. The fight against the three diseases is off track. How will the Global Fund prioritise? It cannot always be a case of “do more with less”, which is what some constituencies ask the organisation to do. There is a real risk that the Global Fund will be stretched too thinly, trying to satisfy all interests, and ultimately not succeeding.”

“The Board is unable to prioritize or debate trade-offs openly, even when clearly different visions are expressed by different Board members.”

“The Board asks management to prioritise 20 different things from 20 constituencies but there is no conversation among themselves. [...] It is becoming a risk given the external environment.”

50. Further, some felt that due to the lack of discussion of prioritisation, there was also the perception that the Board has difficulties in staying at the higher strategic level, and that there is a tendency to get involved in operational discussions.

“The Board’s role is to steer and provide oversight – the Secretariat deals with operational issues. We also know that when we hire the ED and IG, we go through a robust process to ensure we have someone who is competent. The ED then ensures they have the best team possible to carry out the work of the Secretariat. So why do we as the Board insert ourselves? We can’t get caught up in the operational details.”

²⁰ The Global Fund, Pledges at the Global Fund Seventh Replenishment Conference, 18-21 September 2021

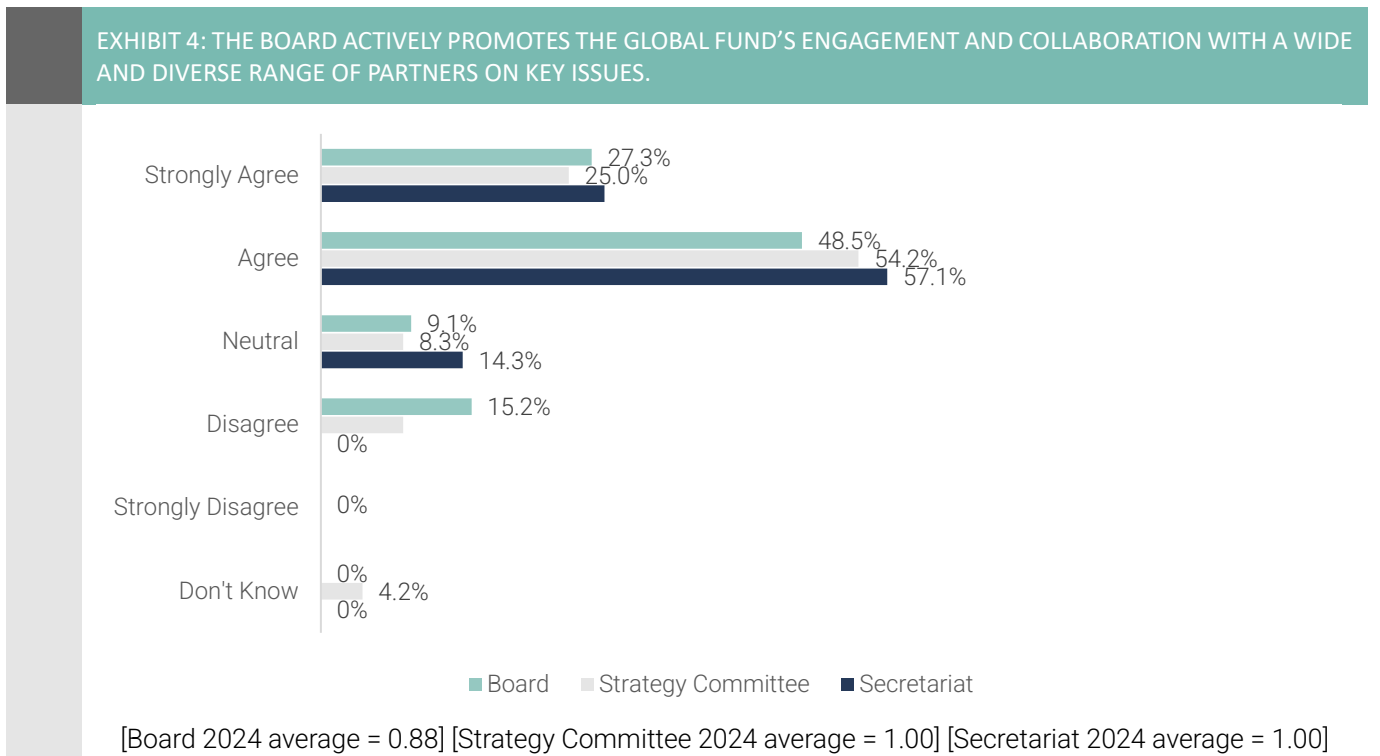
²¹ The Global Fund, Investment Case: Seventh Replenishment 2022

“A lot of the interventions from the Board go into very operational issues and are not strategic (particularly with regard to trade-offs). The Board has a tendency to see all the individual trees but miss the forest, they get lost in the details.”

B. PARTNERSHIP, RESOURCE MOBILISATION, AND ADVOCACY

The Board is felt to actively promote the Global Fund’s engagement and collaboration with a wide and diverse range of partners on key issues.

51. Given the nature of the Global Fund as a global partnership, one of the core functions of its Board relates to promoting the active engagement of and collaboration with all of the members of this partnership.²² In the survey responses, there was a broad consensus between the Board, Strategy Committee, and Secretariat that the Board actively promotes the Global Fund’s engagement and collaboration with a wide and diverse range of partners on key issues.



The Board is felt to be effective in helping to mobilise resources for the Global Fund, but concern was expressed regarding the challenging funding environment.

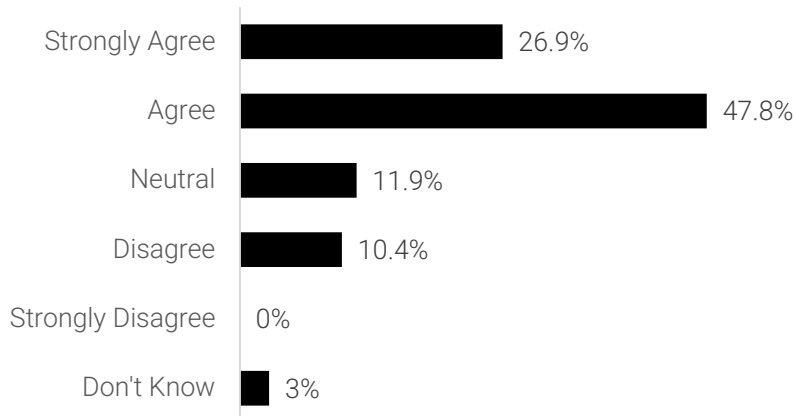
52. Given the importance of the upcoming replenishment cycle, a critical issue for the Global Fund is its ability to mobilise resources. The general perception among both the Board and Secretariat is that the Board is effective in helping to mobilise resources through its existing donors, albeit with scope for further leveraging of private sector contribution.

²² As per Article 7.4 of the Bylaws

“The Board has traditionally been strongly engaged in replenishment and resource mobilization efforts (including risk mitigation), donors’ constituencies, implementing countries, civil society, and community delegations. Board leadership also plays a critical role in that regard.”

“Board members are often very effective advocates for the Global Fund within their own ministries/organisations.”

EXHIBIT 5: THE BOARD IS EFFECTIVE IN HELPING TO MOBILISE RESOURCES THROUGH BOTH PUBLIC AND PRIVATE DONORS.



■ All survey respondents

[All survey respondents average = 0.94]

53. Nonetheless, resource mobilisation was flagged in multiple survey responses and interviews as one of the key issues that requires more attention from the Board given the upcoming Eighth Replenishment and the constrained fundraising environment. Several of the comments also expressed concerns surrounding Board members’ role in helping in resource mobilisation. One concern (discussed in more detail below in *Section VI. Board Profile*), is that the current profile of donor constituency seats on the Board is not reflective of the current and potentially future funding landscape and that seat distribution and voting rights may not incentivise new donors to come forward.

“Before the replenishments it seems that the burden is mainly on the host of the replenishment, then the Board Leadership and the Executive Director. A more active role for the Board might be worth considering.”

“The Board has not found ways to meaningfully engage new public donors and is wary of the private sector and so has not been willing to explore innovative ways to mobilize resources and capabilities and capacity of the private sector.”

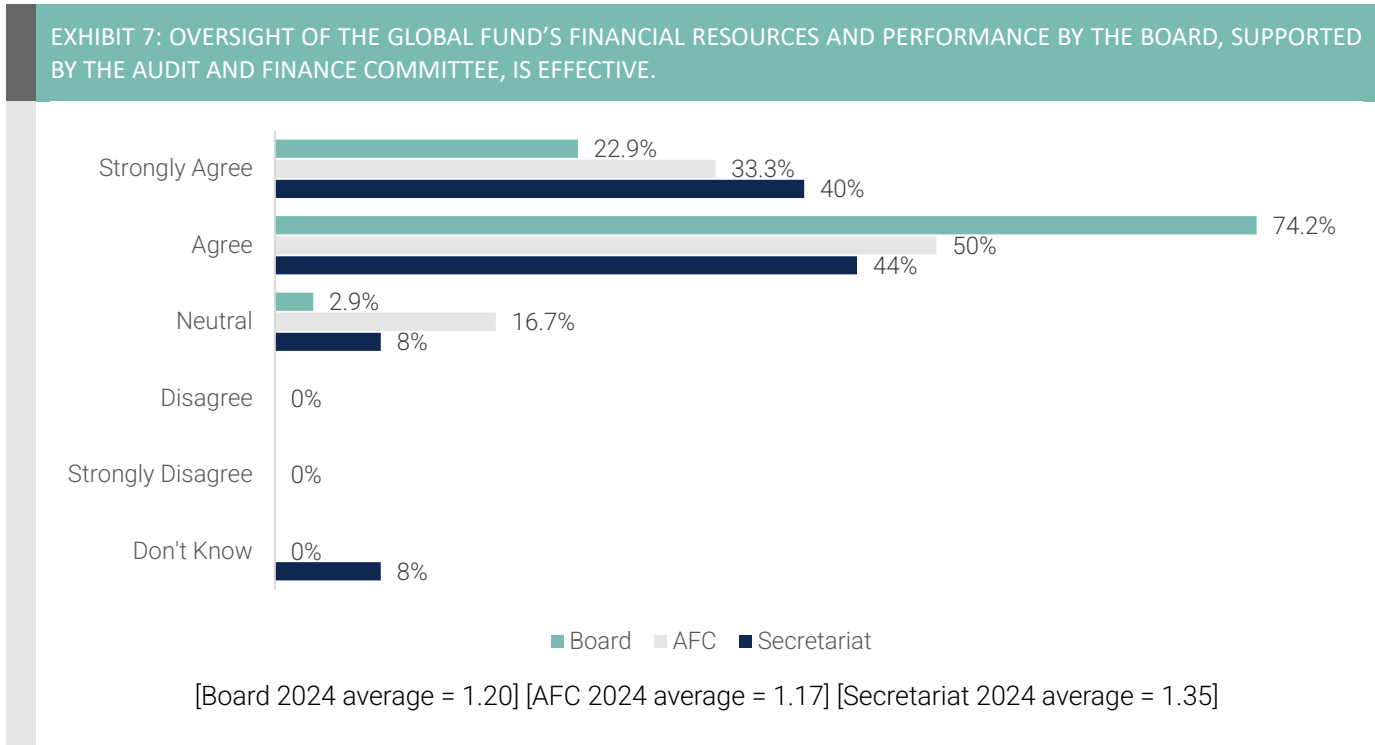
C. COMMITMENT OF FINANCIAL RESOURCES AND ASSESSMENT OF ORGANISATIONAL PERFORMANCE

The Board appears to effectively oversee the use of the Global Fund’s financial resources and the approval of the Operating Expenditure Budget.

54. The Board is responsible for the review and approval of funding proposals as well as workplans and budgets for the governing, advisory, and administrative bodies of the Global Fund.²³ It is supported in this by the AFC, which advises the Board on financial aspects, and assists in its oversight role.²⁴ One area where there was broad positive consensus among the participants was regarding the Board’s oversight of the Global Fund’s resources and financial performance. This question was in the top ten scoring questions for both the Board and Secretariat, suggesting that this is an area in which they work effectively together.

“This is considered to be the most mature area of Board’s governance and oversight.”

“The quality of reporting and discussion on financial matters is very high.”



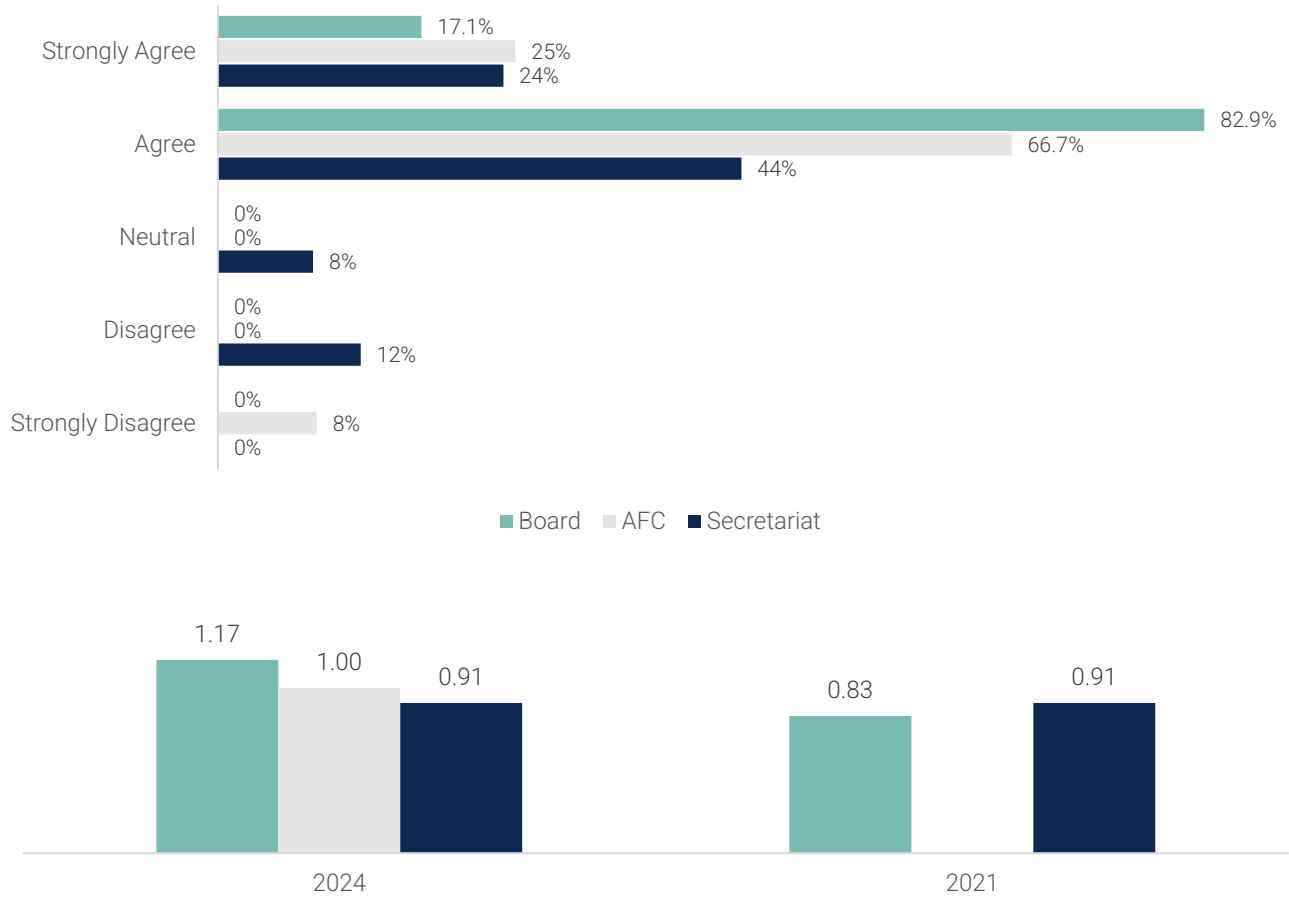
55. There was similar satisfaction with the effectiveness of the Board’s review and approval of the annual Operating Expenditure (“OPEX”) Budget of the Global Fund, which received a score of 1.17 from Board members (an improvement from the previous assessment, as shown in Exhibit 6). This was one of

²³ Bylaws, Article 7.4.iii

²⁴ Audit and Finance Committee Charter, Sections 2.1 – 2.3

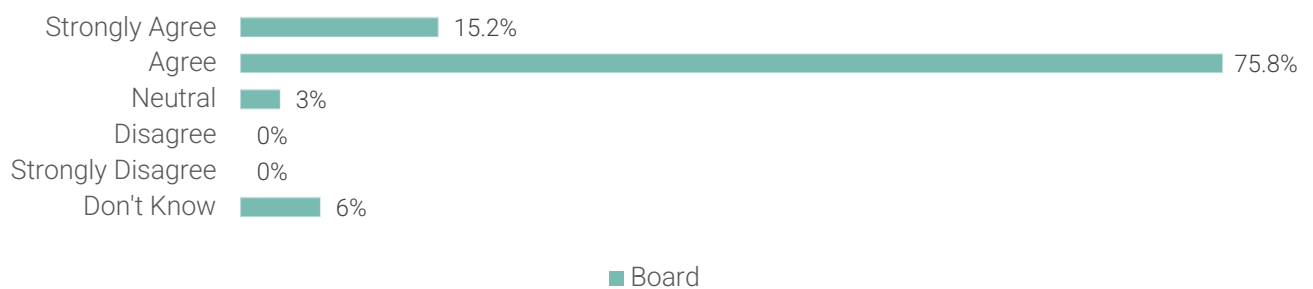
the ten highest scoring questions among Board members, and was also answered positively by the Secretariat and AFC members.

EXHIBIT 6: THE REVIEW AND APPROVAL OF THE ANNUAL OPERATING EXPENDITURE BUDGET OF THE GLOBAL FUND BY THE BOARD IS EFFECTIVE.



56. Support from the AFC was quite highly praised in terms of assisting the Board’s oversight of key financial topics. Over 90% of Board members who completed the survey felt that the AFC is effective in supporting the Board, with the question receiving a score of 1.13; this has remained consistent since 2021, with the question receiving a score of 1.16 in the previous GPA.

EXHIBIT 8: OVERALL, THE AUDIT AND FINANCE COMMITTEE IS EFFECTIVE IN SUPPORTING THE BOARD AND INFORMING IT OF THE COMMITTEE’S WORK.

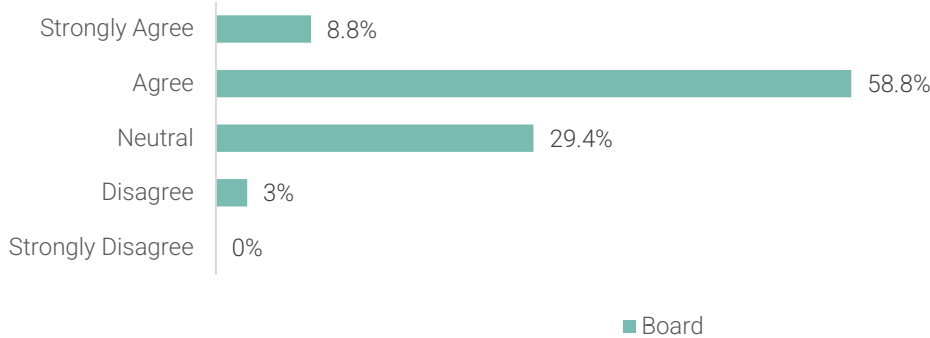


[Board 2024 average = 1.13] [Board 2021 average = 1.16]

Effective discussion of prioritisation and trade-offs is needed to fully leverage mechanisms for reviewing organisational performance, such as the Monitoring & Evaluation Framework and KPI reporting.

- 57. The Global Fund has recently developed a Monitoring & Evaluation Framework to assist with measuring the organisation’s performance with the goals set out in the Strategy. The purpose of the Framework is to facilitate performance management, continuous learning, and improved decision-making. It is intended to be used by the Board in assessing the Global Fund’s effectiveness.
- 58. As the Monitoring & Evaluation Framework is quite recent, there was a feeling that there has not yet been sufficient opportunity to properly use it. Nonetheless, the Board’s perception generally appears positive that the new Framework and Key Performance Indicators will be helpful to oversee performance, concerns remain that without sufficient discussion of prioritisation and guidance to the Secretariat on priorities, it will be difficult to properly monitor performance.

EXHIBIT 9: THE BOARD USES THE MONITORING & EVALUATION FRAMEWORK TO ADEQUATELY DISCUSS AND HOLD THE ORGANISATION ACCOUNTABLE FOR ITS PERFORMANCE.



[Board 2024 average = 0.74]

D. RISK MANAGEMENT

There is general satisfaction among the participants with the Board’s overall approach to overseeing risk and controls, although certain key risks may be being overlooked.

- 59. The Board is “ultimately responsible to the Global Fund’s stakeholders for overseeing the implementation of effective risk management”.²⁵ As part of this, the Board is responsible for establishing and overseeing the strategy for identifying and managing risks, as well as establishing and overseeing the Global Fund’s risk-tolerance framework.²⁶ The Board is advised by all three of the committees on risks within their purview,²⁷ with the AFC taking the overall lead on advising the Board on risk-related matters.²⁸

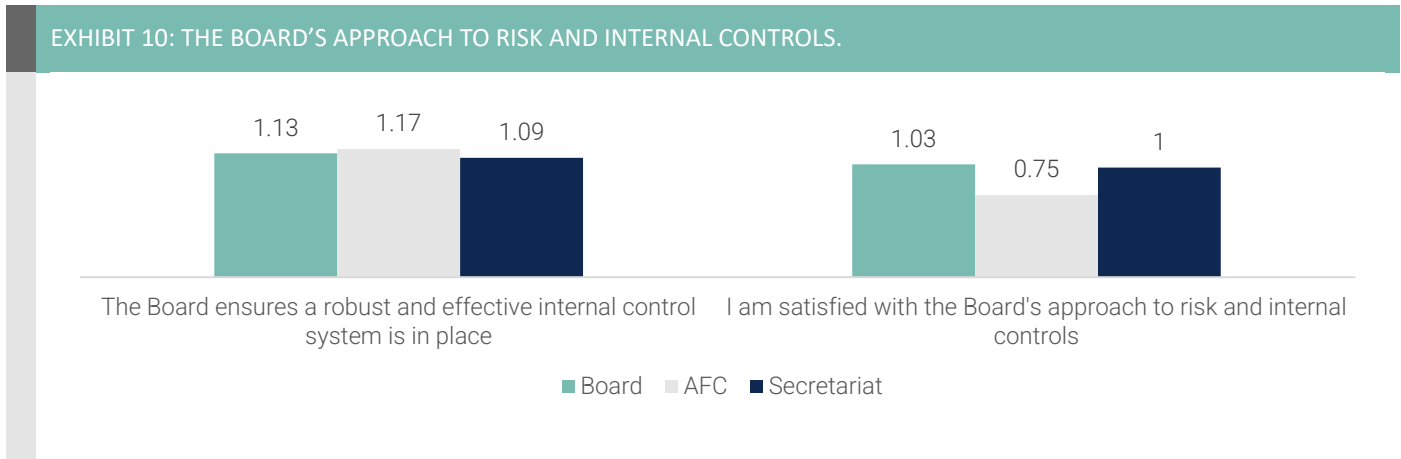
²⁵ The Global Fund, The Global Fund Risk Management Policy, GF/B32/DP11 at Article 20

²⁶ Bylaws, Article 7.4.v

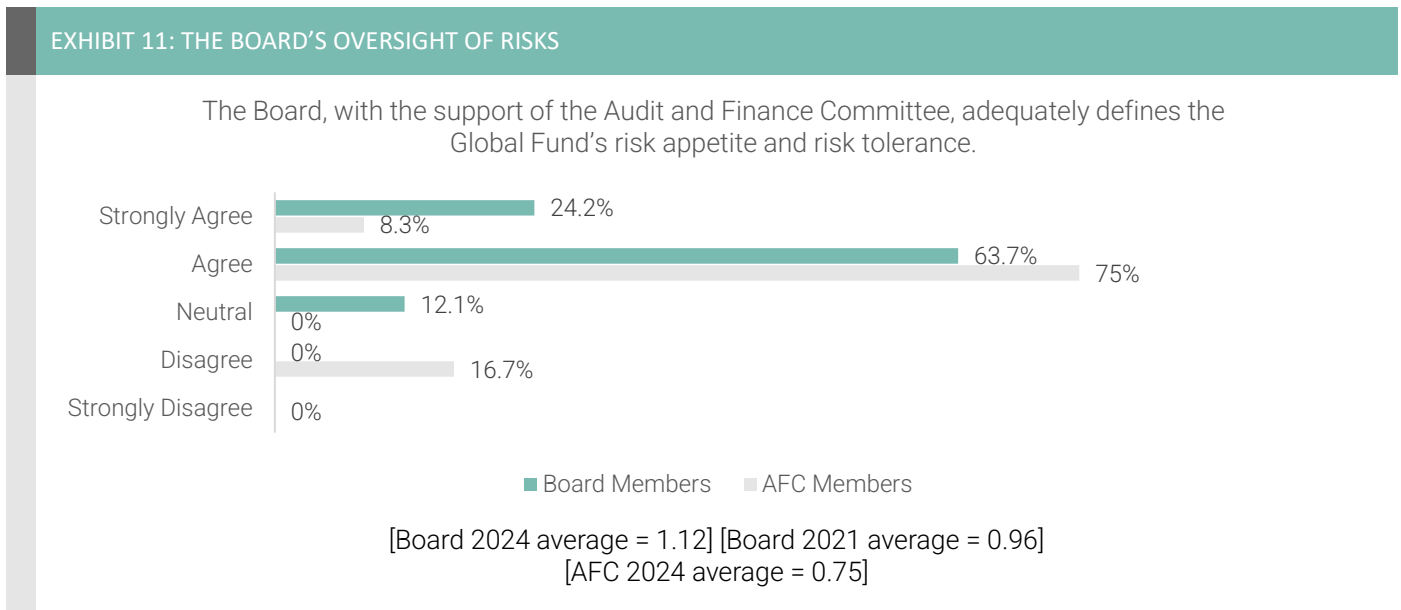
²⁷ Global Fund Risk Management Policy, Article 22

²⁸ Audit and Finance Committee Charter, Section 2.2.c; Ethics and Governance Committee Charter, Section 2.1.e; Strategy Committee Charter, Section 2.1.f

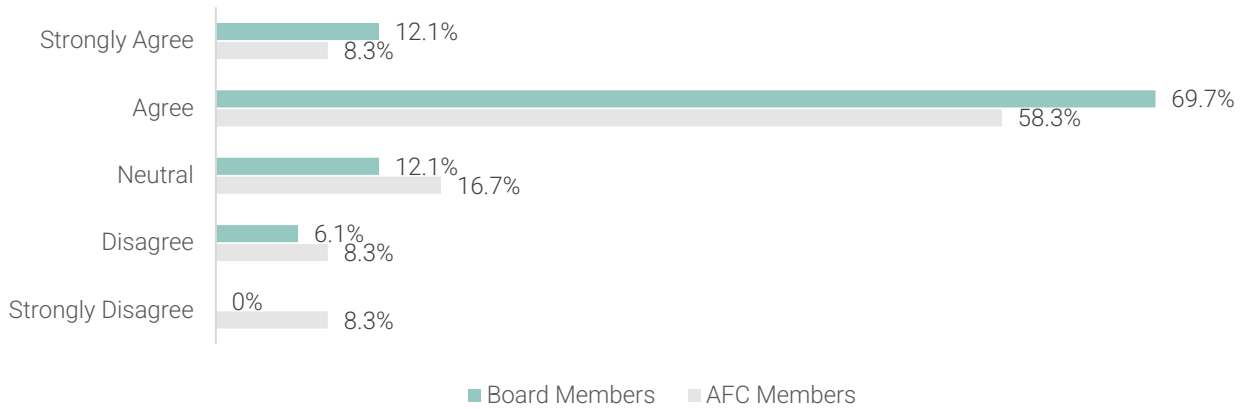
60. The Board and Secretariat both have a positive view of the general approach taken to overseeing the system of risk and internal controls. Board, AFC, and Secretariat survey respondents all felt the Board ensures that a robust and effective internal control system is in place and were satisfied with the Board’s overall approach to risk and internal controls (as shown in Exhibit 10 below).



61. The positive view on the effectiveness with which the Board oversees risk extends to whether the Board, supported by the AFC, is able to adequately define the Global Fund’s risk appetite and risk tolerance. As shown in Exhibit 11 below, there was a broad consensus among the Board members that the Board performs well in this aspect.



The Board, with the support of the Audit and Finance Committee, has a comprehensive picture of the Global Fund's risk profile and exercises adequate oversight over the Global Fund's risk management approach.



[Board 2024 average = 0.88] [Board 2021 average = 0.97]
[AFC 2024 average = 0.50]

"This area has seen significant improvement over the last few years. While we can always improve, we compare strongly to equivalent organisations."

"Regular reviews are necessary and countries must appreciate that they play a key role also ensuring Global Fund policies are implemented to ensure ownership."

- 62. However, while the Board may feel it is effective in overseeing risk management and understanding the risks faced by the Global Fund, its difficulty to prioritise strategic objectives is a critically important risk in and of itself that may be being overlooked.
- 63. Some survey participants also highlighted the risk posed by the Global Fund being overstretched in its resourcing and trying to do "more with less". This issue is amplified by the lack of discussion of prioritisation of objectives and trade-offs (discussed above), which partially limits the Board's ability to have fully robust discussions on risk appetite as strategic risks cannot be fully considered.

"The current context may require more dynamic / bolder discussions on risk appetite and tolerance if we want to remain impactful in a resource constrained and highly volatile environment."

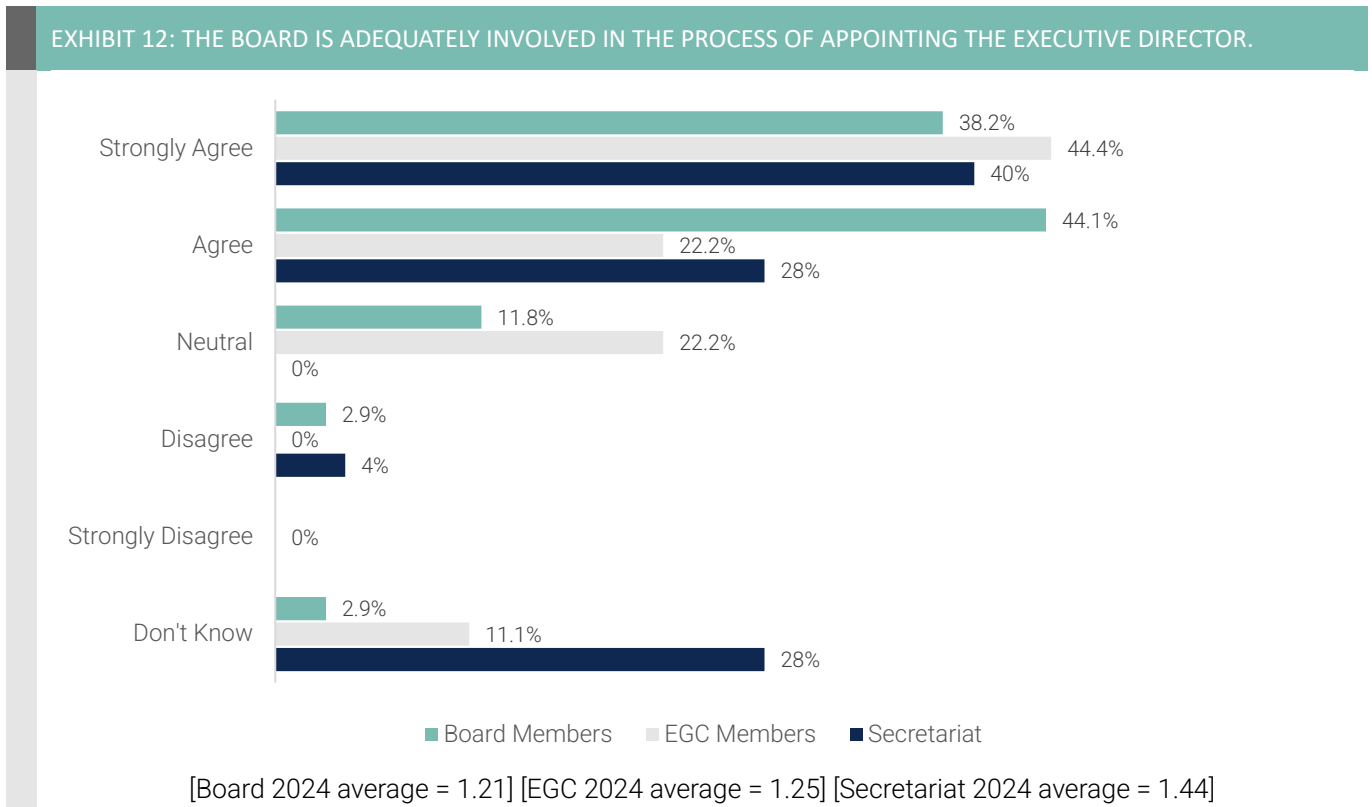
E. GOVERNANCE OVERSIGHT

There is general satisfaction with the Board's involvement in the appointment of the Executive Director.

- 64. The nomination process for the Executive Director is led by an ad-hoc nomination committee which is established by the Board. The Board is responsible for ultimately selecting and appointing the

Executive Director, with the support of the ad hoc nomination committee and the EGC.²⁹ Board Leadership is actively involved in the process, overseeing its progress on behalf of the Board.

65. Whether the Board is adequately involved in the process of appointing the Executive Director was one of the ten highest scoring questions for Board members, EGC members, and Secretariat.



There appears to be effective oversight of the work of the Office of the Inspector General.

66. The Office of the Inspector General is an independent unit of the Global Fund that reports to the Board through the AFC.³⁰ The Office of the Inspector General reports to the Board at every regular meeting, “measuring actual performance against the Work Plan, and identifying significant risk exposures and control issues in regard to Global Fund financed programs and operations.”³¹ The report is submitted to the Board through the AFC. The Board approves the Office of the Inspector General’s priorities and annual budget, based on the advice of the AFC.
67. The Board is satisfied that it is able to effectively oversee the work of the Office of the Inspector General (while allowing it to maintain the independence necessary for its role), as illustrated by 85% of survey responses from Board members either agreeing or strongly agreeing that it was able to do so effectively. Interviewees also noted that the work of the Office of the Inspector General helps to

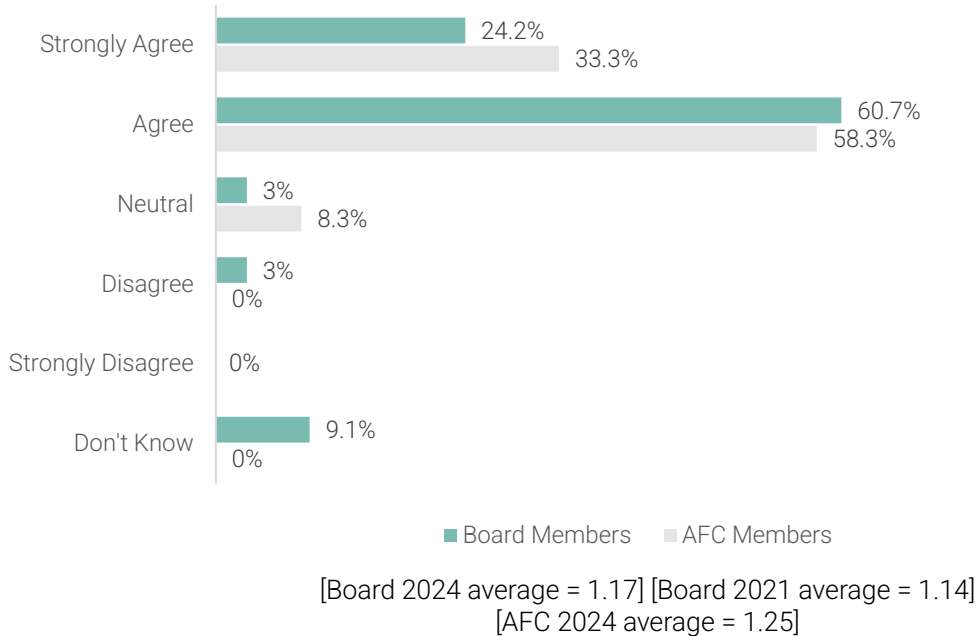
²⁹ Operating Procedures of the Board, paras. 36.1 – 36.4; Ethics and Governance Committee Charter, para. 2.3.e

³⁰ Charter of the Office of the Inspector General, June 2022, para. 3

³¹ Ibid., paras. 13-17

generate trust and confidence and that the relationship between the Inspector General and the Coordinating Group is strong.

EXHIBIT 13: THE BOARD, WITH THE SUPPORT OF THE AUDIT AND FINANCE COMMITTEE, EFFECTIVELY OVERSEES THE WORK OF THE OFFICE OF THE INSPECTOR GENERAL.



Participants were broadly satisfied that the Board leverages inputs from the Technical Review Panel, though there is an appetite from some for further its consideration of TRP recommendations in Board discussions. More time is needed before accurately assessing the effectiveness of the Independent Evaluation Panel and its relationship with the Board.

- 68. The Technical Review Panel (“TRP”) is an impartial and independent advisory body to the Global Fund Board. It fulfils its mandate under the oversight of the Strategy Committee.³² Lessons learned from the TRP are reported to the Board through the Strategy Committee, and are used as an input by the Board in its deliberations.³³
- 69. Over 70% of Board members strongly agreed or agreed that the Board can effectively leverage the inputs that it receives from the TRP in its work. A similarly positive response was also seen in Secretariat’s perspective. This echoed the broader positive feedback we heard regarding both the TRP itself and the support received from the Secretariat on its work.

“TRP recommendations and lessons learned are incorporated regularly.”

“TRP views have been actively sought by the Board in discussions of GC7 grants, especially regarding key areas of strategy implementation.”

³² Terms of Reference of the Technical Review Panel, April 2022, para. 1.2

³³ Ibid., para. 2.10

70. Nonetheless, some survey comments suggest that more consideration could be given to how TRP recommendations may be connected to other discussions.

“The TRP observations are discussed by the Committee/Board. More work has been done to ensure this is not done in isolation but connected to relevant discussions. There is room for further enhancement.”

71. The Independent Evaluation Panel (“IEP”) is the second of the independent advisory bodies to the Global Fund Board; it reviews the quality and independence of the Global Fund’s independent evaluation activities. It fulfils its mandate and reports to the Board through the Strategy Committee.³⁴ The Board collaborates with the IEP to identify evaluation needs with regards to design, implementation, and results of Global Fund’s policies and programs and ensure timely communication of evaluation findings and recommendations to inform decision-making processes.³⁵
72. Regarding the leveraging of inputs from the IEP, it was generally understood and accepted by those that we interviewed and in the survey comments that this is a new function that will require time before fair judgement can be made on its effectiveness and relationship with the Board. As a result, the majority of survey responses regarding the IEP were either ‘don’t know’ or ‘not sure.’

³⁴ Terms of Reference of the Independent Evaluation Panel, paras. 1.1 and 5.14

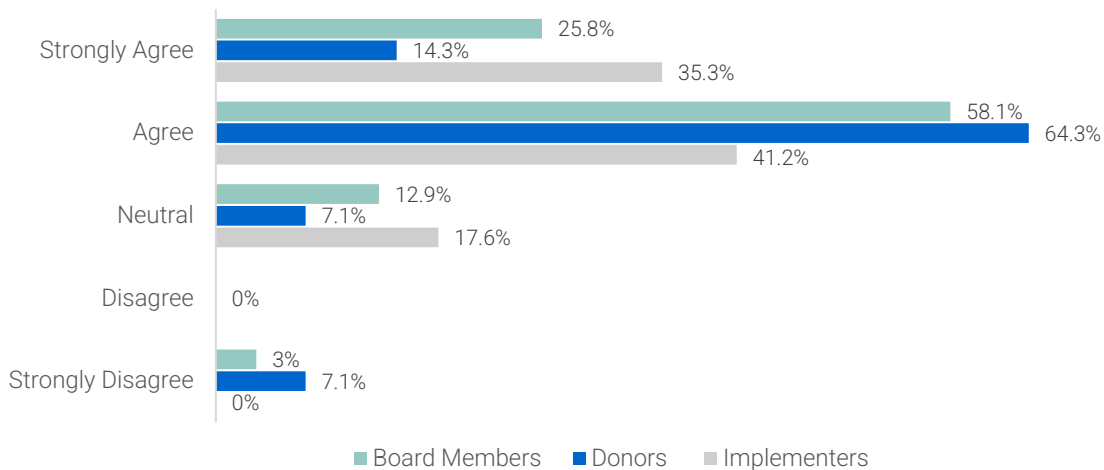
³⁵ Ibid., para. 5.15

III. BOARD DYNAMICS AND FUNCTIONING

The entrenched practice of reading prepared statements hinders the potential of Board meetings to be a space for interactive discussion, strategic oversight, and clear direction setting.

73. The Global Fund’s mission is inherently tied to global health crises, placing unpredictable developments at the heart of the organisation’s operations. The capacity of the Board to navigate complex issues and unforeseen crises via effective dynamics and deliberation is therefore a precondition for the effective stewardship of the Global Fund’s mandate. In this regard, the Global Fund’s Operating Procedures aim to support positive dynamics with guidelines for Board member intervention during meetings (limited to three minutes unless previously scheduled as a speech or announcement)³⁶ and underline the role of Board Leadership in supporting open discussion and ensuring balanced and inclusive deliberation among the breadth of the Board’s constituencies.³⁷
74. In this regard, survey responses highlighted Board members’ positive reflections (donors and implementers alike) on Board Leadership (see Exhibits 14 and 15) and the November 2023 meeting exemplified Board Leadership’s efforts to ensure balanced participation from both donor and implementer constituencies.

EXHIBIT 14: THE BOARD LEADERSHIP PROMOTES A CULTURE OF OPENNESS AND TRUST BY ENCOURAGING CONSTRUCTIVE DIALOGUE AMONG BOARD MEMBERS.



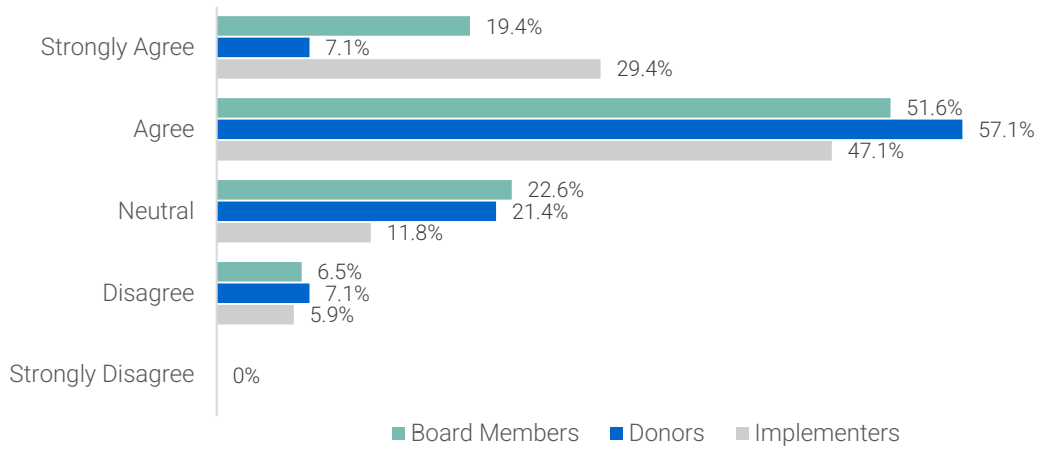
[Board 2024 average = 1.03] [Donor 2024 average = 0.89] [Implementer 2024 average = 1.23]³⁸

³⁶ Operating Procedures of the Board and Committees of the Global Fund to Fight AIDS, Tuberculosis and Malaria (2022): Provision 13.2

³⁷ Operating Procedures of the Board and Committees of the Global Fund to Fight AIDS, Tuberculosis and Malaria (2022): Provision 13.3

³⁸ In charts, “Implementers” refers to Board members from the implementer constituencies; “Donors” refers to Board members from donor constituencies.

EXHIBIT 15: THE BOARD LEADERSHIP FRAMES BOARD DISCUSSIONS AND ADVANCES EFFICIENT DECISION-MAKING PROCESSES.



[Board average = 0.84; Donor Average = 0.69; Implementer Average = 1.06]

- 75. At the November 2023 meeting, we observed a mixture of good practices in line with the Operating Procedures. Positive examples included smooth and effective rotation between Board members and alternates, allowing for a greater array of views and an effective use of Board member resources. Additionally, English, Spanish, and French translation were available via headphones at every table in the meeting room.
- 76. On the other hand, we also observed some deviations from the Operating Procedures that hindered meeting dynamics. For example, though a three-minute timer was used for speakers, time limits were inconsistently observed by Board members and not strictly enforced by Board Leadership. Though we acknowledge Board Leadership did on quite a few occasions call out speakers that exceeded three minutes,³⁹ this was not consistently applied hence many Board members ran over their allotted time, which led to other Board members having to rush their intervention. Similarly, though it was explicitly advised by Board Leadership on multiple occasions to not read constituency statements, the practice was widespread nonetheless, with only a handful of constituencies’ reacting in-meeting to other constituent’s statements.

“Board Leadership at the last meeting asked Board members not to read formal declarations but to respond to one or two questions raised during the meeting. They did well but not all Board members are prepared to react to what they hear during the meeting. Each constituency has to prepare for that.”

- 77. Survey responses and interviewees partly acknowledged this as characteristic of a multi-stakeholder, constituency board: positions are negotiated outside the boardroom from the perspective of individual constituencies, accompanied by formal statements presented by their Board member, rather than organic, spontaneous discussion and collective direction (i.e. the expectation for corporate boards). We recognise that the Global Fund has also tried different approaches over the years to mitigate the amount of meeting time spent on statement reading, including explicit discouragement and creating other spaces for their exchange. Nevertheless, their prevalence indicates the continuing need for

³⁹ Time-keeping notably improved over the course of the Board meeting with stricter implementation by the end of the second day.

Board members to express the agreed stance of their constituency via clear, documented positions. From this perspective, statements were viewed in a (partially) positive light by some.

“Constituencies’ views on statements vary. A number of people like them because it gives them a succinct way of saying something. [My constituency] view them as important moments to express things we officially want to say when we have a strong view.”

“Constituency engagement is a key focus so everything is consulted and agreed but at the same time there’s an expectation that Board members should have spontaneous discussion and make decisions on the spot. The two don’t go together: you either have constituency delegates who are empowered to make decisions proactively or a representative model where people can’t speak off the cuff.”

78. However, the vast majority perceived the reading of statements in meetings as being detrimental to the dynamics of the Board. It was often commented that statement reading rendered Board meetings as parliamentary-style sessions with procedural and rigid exchange, rather than a forum where issues are informed, debated, and decided upon.
79. Moreover, the capacity for Board members and alternates to interact in meeting discussion beyond their pre-written statement varies depending on how empowered each constituency representative is – something that varies per constituency. For example, some constituencies mentioned that they establish broad parameters for members to abide by while also maintaining space to engage, discuss, and react to other constituencies. However, this level of autonomy was not ubiquitous across constituencies.

“Doing it differently would require constituencies to give over the power to their Board representative and Alternate. [...] It isn’t going to happen unless constituencies are prepared to give authority in the moment and have trust that their people will do right by them. Saying ‘don’t read statements’ isn’t going to work; you need to think what would need to happen in the constituency beforehand to facilitate that.”

“Because statements result from consultations pre-meeting, it is difficult for Board members to move away from their statement as they are speaking on behalf of their constituency and reading what they had all agreed. I think there are ways we can move away from statement reading if Board members’ judgement is better trusted by their constituency.”

80. It is typical for constituency-driven organisations to try to mitigate this issue by using their board portal to submit statements prior to meetings.⁴⁰ This is similarly the case at the Global Fund, where statements are attached to the annex of meeting reports, emailed to the Board before meetings, and uploaded on the Governance Portal. Though some interviewees commented that they had experienced technical issues with the current software, a new bespoke governance platform is being developed to further facilitate Board members to conveniently navigate governance documents, including constituency statements and meeting packs.

⁴⁰ Nestor, S. (2018) *Board Effectiveness in International Financial Institutions: A Comparative Perspective on the Effectiveness Drivers in Constituency Boards*.

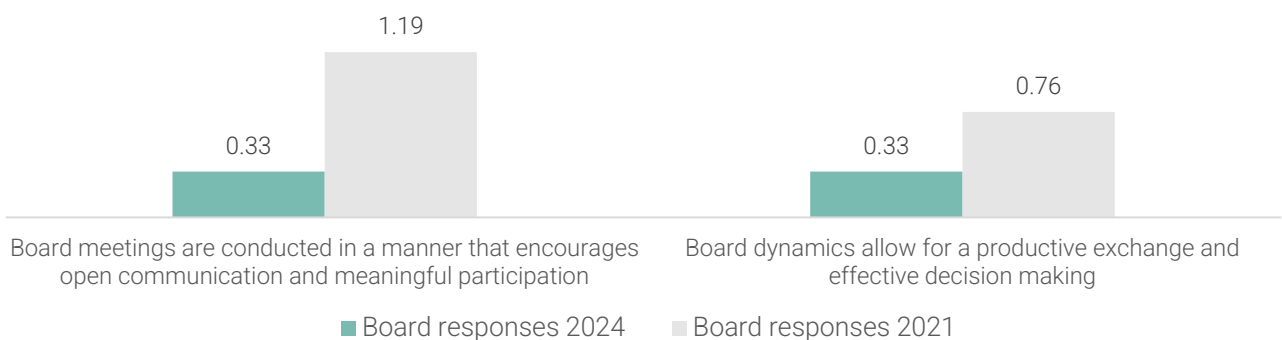
81. However, submitting written statements ahead of the meeting only adds to the amount of reading and exacerbates existing concerns about the volume of materials (discussed below), and it does not necessarily prevent Board members from reading them out in meetings – a behaviour that has been embedded in Board meeting practices over the years. To this extent, it was highlighted that Board inductions could better underline meeting practices (see *Section VI. Board Profile*), including minimal reading of statements in favour of engagement and discussion.⁴¹ The role of Board Leadership is also key in helping to minimise such practices, if desired.

“We need individuals who can be dynamic enough to give inputs that push agenda forward progressively. This could be done by orientation so Board members understand from the beginning of their tenure to not just bring in statements but to give their actual opinion and views. We need to empower Board members to understand it is expected that they are dynamic, not to read statements that repeat what others have said.”

82. Other organisations have adopted different rules on this same matter.⁴² The World Bank, for example, limits the time available to participants for oral interventions, while the IMF encourages its directors to prepare written statements on agenda issues and look down on ‘read’ statements during board meetings. These statements are considered as made in the meeting and are part of the minutes. The Chair may remind their existence in the relevant agenda item and ask the representative for a very short summary of the essence of the statement.

83. In sum, open discussion and effective strategic deliberation is “sacrificed” in favour of formal communication of constituency interests and stances. We note that this is a recurring theme that was identified in the previous GPA, and recognise deteriorating survey scores regarding meeting dynamics and the openness of deliberation since 2021 (see Exhibits 16 and 17).

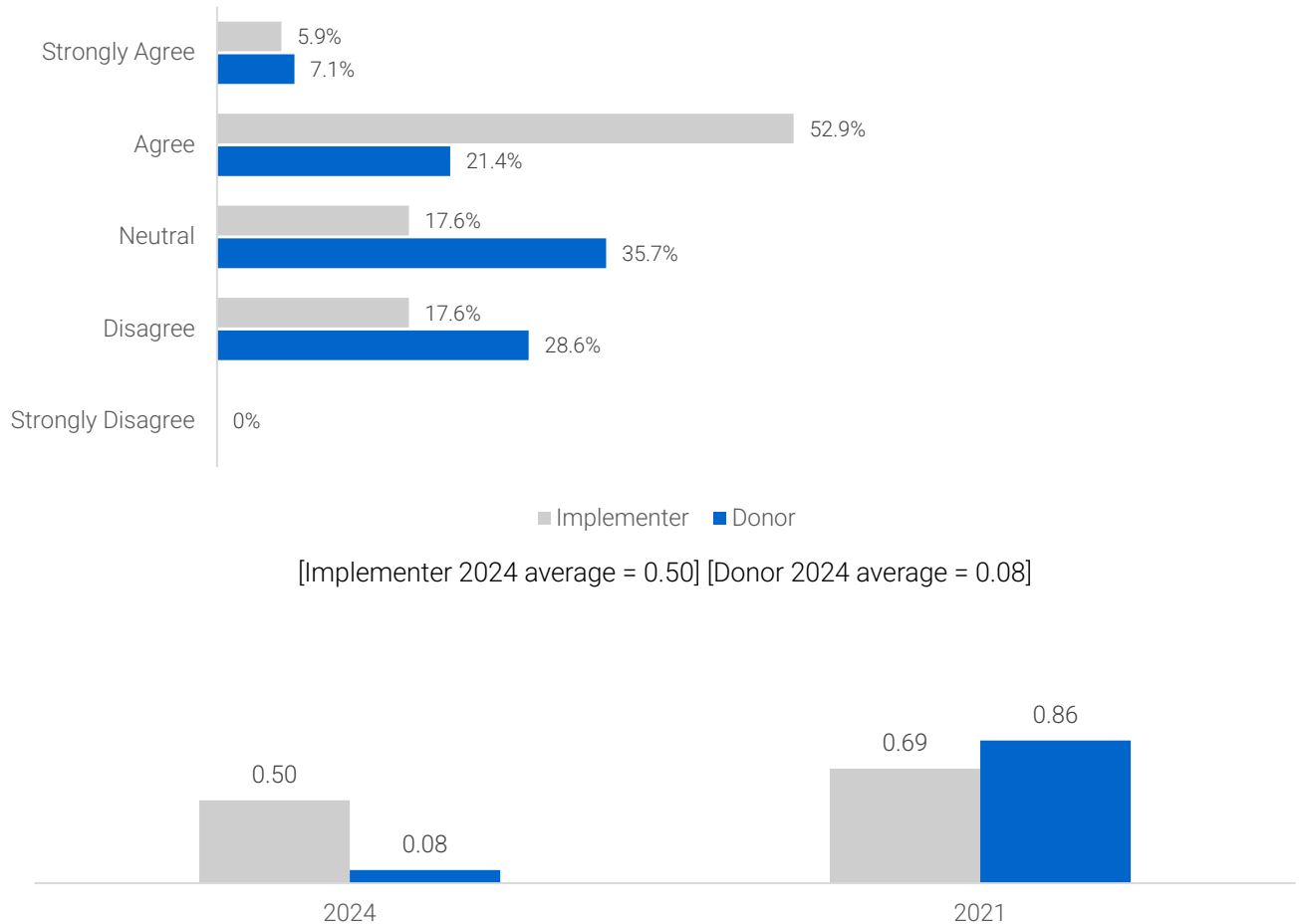
EXHIBIT 16: BOARD DYNAMICS.



⁴¹ Though we understand that Module 3 of the current onboarding programme includes modalities on information notes and webinars on key governance processes, including Board meeting procedural guidance.

⁴² Nestor, S. (2018) *Board Effectiveness in International Financial Institutions: A Comparative Perspective on the Effectiveness Drivers in Constituency Boards*

EXHIBIT 17: BOARD MEMBERS ARE COMFORTABLE IN ENGAGING IN CONSTRUCTIVE CHALLENGE AND DEBATE AT BOARD MEETINGS.



84. It is essential for the Board to ensure that meetings are a space for interactive discussion and effective strategic oversight. As a necessary first step, the Board must discuss and decide if the practice of reading out constituency statements is the preferred working mode of the Board or not. If the reading of statements is deemed the most appropriate form, the potential frustrations stemming from this practice should be addressed, perhaps by reducing formal meeting time and increasing other forms of exchange.
85. If the practice is deemed untenable, new meeting practices must be agreed. These could take the form of:
 - 85.1. Dedicating an opening session to the reading of prepared statements for the full agenda of the Board meeting (i.e. not in each session) and any reactions to that. After this session, Board members then cannot read out any statements. The new Board information portal should be leveraged to share and encourage the reviewing of prepared statements beforehand.
 - 85.2. Board Leadership then prepare a summary of the discussion in the opening session, including areas of convergence, areas of disagreement, trade-offs and tensions that are arising. This would be reflected back to the Board to help the Board focus on issues and questions that need

to be weighed and resolved to move forward with clear direction. The sharing of this summary would then begin a deeper round of discussion. As the Board meeting progresses, Board leadership should connect back to substance and outcomes from the various sessions to demonstrate coherence across discussions.

- 85.3. Board Leadership summarising each session, noting points of convergence and divergence coming from the discussion, and identifying areas of clarification and further discussion and exploration.
86. Moreover, by improving the quality and productivity of formal meetings, there would be less reliance on (and the need to resource) informal spaces and other potential spaces for engagement as a means of facilitating open discussion.

Board meeting materials must support clear Board decision-making. Meeting papers should be designed, framed, and timed to enable engagement with strategic issues, weighing of trade-offs, and delivering clear decisions/direction for implementation.

87. Considering the Global Fund’s mission, funding streams, and variety of stakeholders, strong reporting lines must exist between the Secretariat and the Board and these must be underpinned by high quality, relevant information.
88. Based on our review, meeting papers⁴³ typically include an executive summary containing the paper’s context, questions the paper addresses, conclusions, inputs sought from the Board, inputs received, and (where applicable) annexes of past relevant Board decisions and reference materials. Some papers were notable for including the methodology adopted to arrive at recommendations. Some survey responses and interviews noted that meeting materials are informative and of high quality.
89. The Operating Procedures state that background documentation for each agenda item should be circulated at least three weeks in advance of Board meetings and two weeks in advance of Committee meetings.⁴⁴ Although some survey respondents felt timeliness has improved, several others voiced challenges in processing materials in these windows prior to meetings, suggesting that materials were occasionally delayed in their circulation. This was noted as particularly challenging for multi-country constituencies, given their need to engage and deliberate with members across languages and time zones.

“If you send 600 pages to a constituency that connects with 10 countries that need to translate and receive comments, it’s not manageable.”

“Although there has been an improvement, there is still a need to reduce the volume of the documents and share them ideally three weeks in advance of the Board meeting.”

“You need to revise and draft positions that have to then be approved. There’s a need to condense materials that really focus on the salient points and giving us more time; not two weeks. Perhaps a month to be able to formulate the best concrete positions that we can.”

⁴³ Spanning Board and Committee meeting papers from November 2021 to November 2023

⁴⁴ Operating Procedures of the Board and Committees of the Global Fund (2022): Provision 15.2

⁴⁵ We note that this is generally a greater time frame than most listed companies, though the Global Fund’s constituency architecture requires a much longer time for adequate preparation.

90. Most consider the sheer volume of information difficult to navigate. It was suggested that materials lacked clear or succinct guidance on discussion topics per paper, that key information was not sufficiently being highlighted, and that there was a lack of clarity in decision language. Given the breadth of stakeholder representation on the Board, some also commented that the highly technical language used in materials limited their understanding and engagement with papers and voiced a desire to see more accessible language used.

"You want to ensure strategic discussion but there's too much to digest. Because there's so many documents, you're forced to keep to what your constituency said because you don't want to contradict anything or look stupid."

"There is no attempt to summarise or distil the key messages, meaning that much valuable data is not reviewed (and much Secretariat effort is wasted in their preparation)."

91. The volume of information is compounded by the number of governing, administrative, and advisory bodies associated with the Global Fund, which entails a large volume of periodic reporting from each body and packing out an already crowded meeting agenda (discussed below).

"If the number of topics was reduced, the volume of materials could also be reduced."

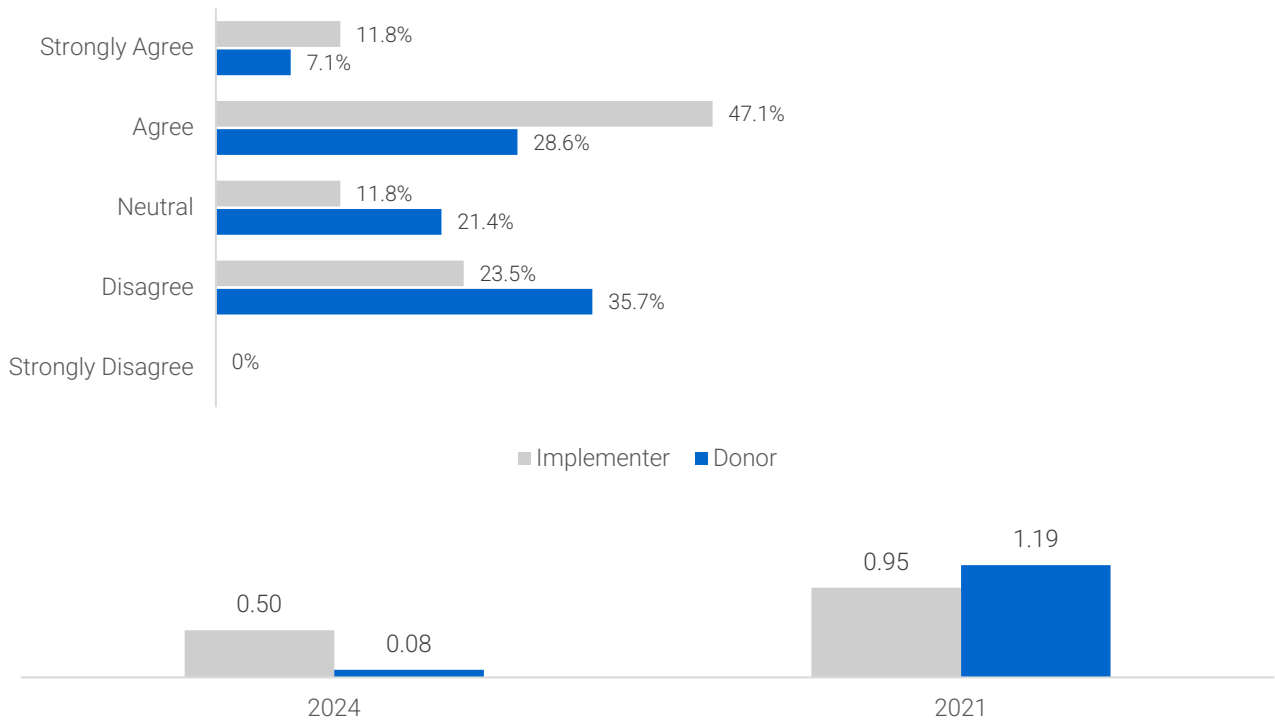
92. Moreover, the volume of materials is also exacerbated by a "low trust equilibrium" between the Secretariat and the Board (see *Section VII. Relationship Between the Board and Secretariat*), whereby the Board requests increasing amounts of information from the Secretariat. In doing so, papers become inflated in volume in an effort to speak to all the concerns and potential points of interest requested by constituencies.

"It is frustrating to see some constituencies complain about volume and then complain when a specific issue of interest is not developed sufficiently in their view."

"The Board has requested shorter papers with options and trade-offs but at the same time there's an issue with trust so they want more details and analysis. We don't know what to give them, it's an ongoing discussion. Donors particularly ask for shorter papers."

93. Consequently, the volume and density of materials make it difficult for Board members to develop focused interventions in meetings, hindering the openness of deliberation and exchange. Exhibit 18 was notably the sixth lowest score across all Board members' survey responses and donors' perceptions on the quality and timeliness of meeting materials has decreased considerably since the previous GPA.

EXHIBIT 18: THE BOARD MATERIALS ARE TIMELY, RELEVANT, OF HIGH QUALITY, AND APPROPRIATE IN VOLUME.



94. It is therefore key to ensure that Board meetings’ materials are designed, framed, and timed to enable engagement with strategic issues, weighing of trade-offs, and delivering clear decisions and direction for implementation. Meeting materials should clearly summarise trade-offs, options, and risks. The breadth and complexity of meeting agendas drives the volume of meeting material so streamlining agendas would help reduce the volume of meeting material. Moreover, Secretariat efforts to reduce the volume of meeting packs must be overseen and supported by the Coordinating Group in synthesising and guiding papers’ preparation and dissemination.⁴⁶

“Everyone including myself complains about the volume. I think a bit of rigour around the granularity is needed and more empowered leadership to push back when necessary.”

Board meeting agendas are extensive and may not be optimal for strategic discussions.

95. Given the size of the Board, breadth of constituency representation, and global programmatic activities, effective deliberation and decision-making are paramount for the Global Fund to fulfil its mandate. As per the Operating Procedures⁴⁷ and Bylaws,⁴⁸ the Board is required to have at least two

⁴⁶ As per its mandate: The Global Fund (2016) *Terms of Reference of the Coordinating Group*.

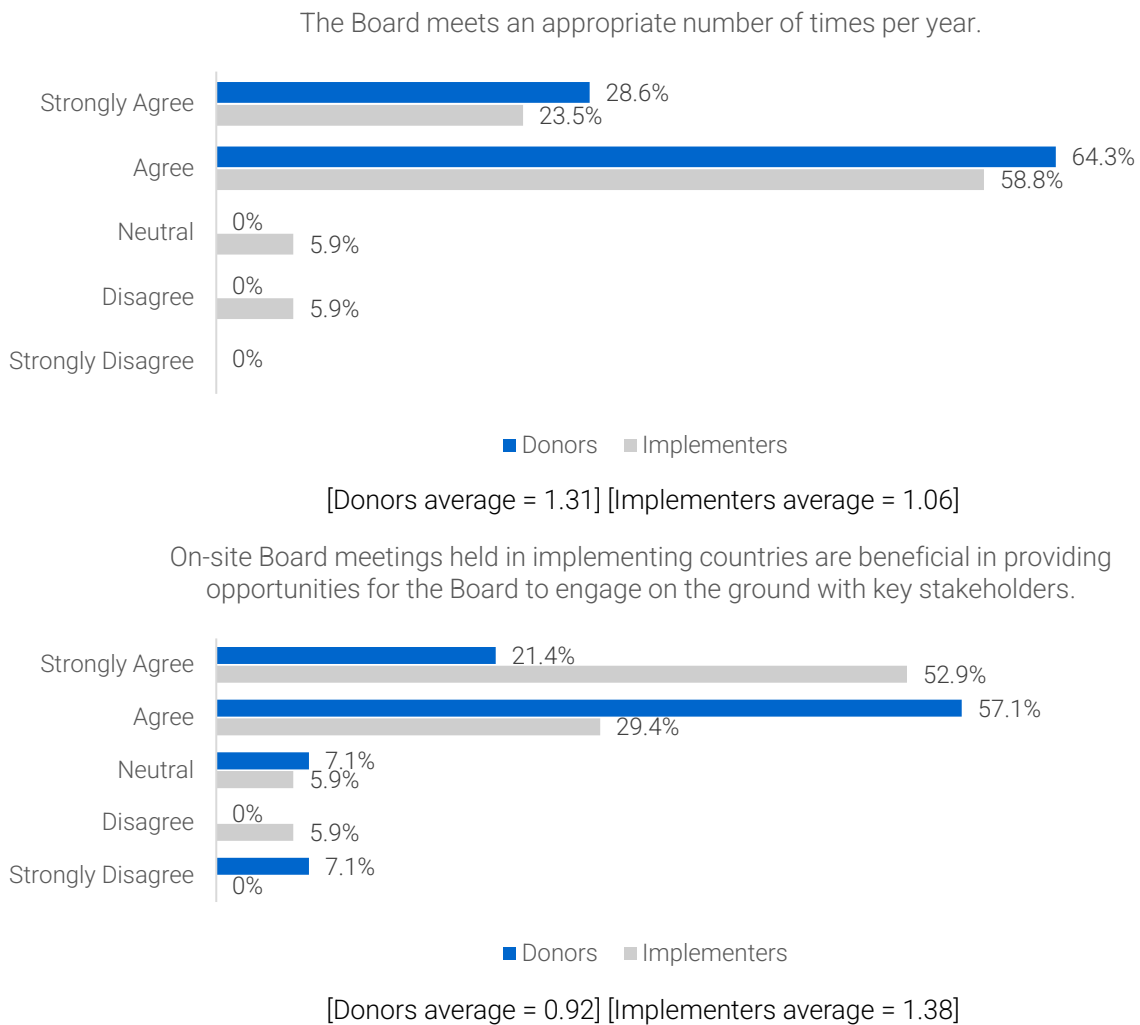
⁴⁷ Operating Procedures of the Board and Committees of the Global Fund to Fight AIDS, Tuberculosis and Malaria (2022): Provision 10.1

⁴⁸ As per Provision 7.6 of the Bylaws of the Global Fund to Fight AIDS, Tuberculosis & Malaria

meetings per year. This is broadly in line with multi-stakeholder, constituency boards: for example, the Board of Governors of the World Bank meets once per year,⁴⁹ Gavi’s Board meets twice per year,⁵⁰ and the Green Climate Fund’s Board meets three times per year.⁵¹

96. Board members’ survey responses illustrated that they generally feel that the number and length of board meetings is appropriate. One of two of these annual meetings is required to be held in Geneva, Switzerland, and Board members (donors and implementers alike) reflected positively on the other meeting being hosted in implementing countries, as illustrated in Exhibit 19.

EXHIBIT 19: BOARD FUNCTIONING.



⁴⁹ As per Article V, Section 2(c) in *Articles of Agreement* (2012)

⁵⁰ As per Article 16 of the Gavi Alliance Statutes (2020)

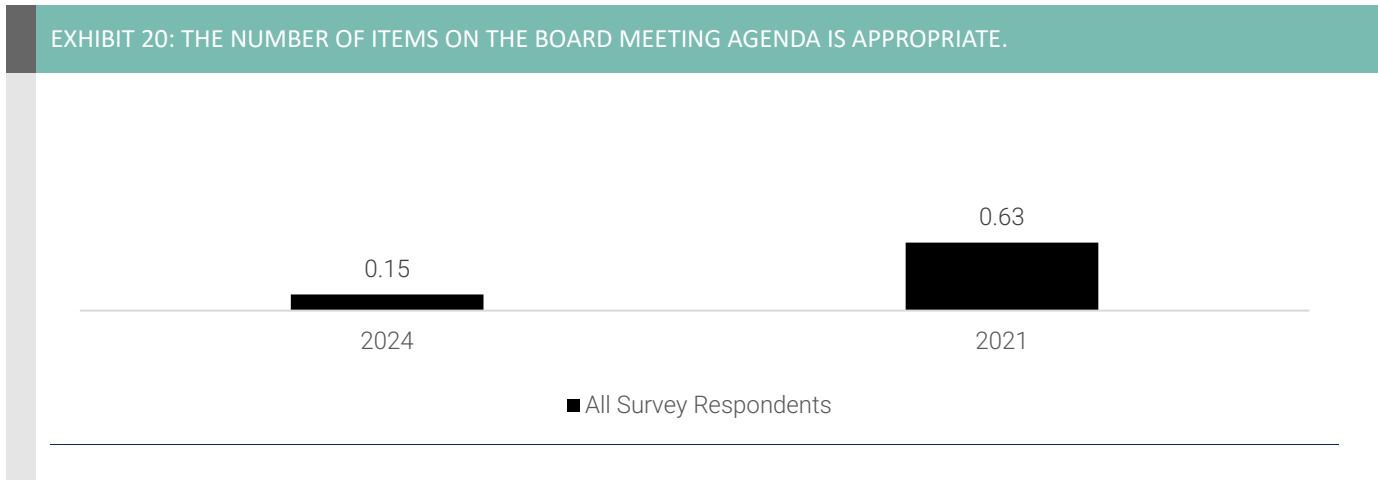
⁵¹ Though Provision 5.1 of the Rules of Procedure of the Board states the Board must meet at least twice per year, in practice the Green Climate Fund’s Board has met at least three times per year since 2013.

97. Though the Global Fund’s Operating Procedures advise meetings to be kept to two days in length,⁵² Board meetings generally entail several additional preparation days, such as constituencies holding pre-Board meetings and post-meeting debriefs, as well as informal meetings and retreat days outside of formal meetings. Due to these informal meetings and satellite events occurring both before and after Board meetings, some Board members voiced a desire for Board meetings to be a day longer to formalise pre-meetings and ensure greater attendance.

“I think we need to add a day to Board meetings so that we don’t have so many pre-meetings.”

“Two formal days meetings are not enough and ends up being 3-4 days of meetings but because some of these are pre-meetings, not everyone comes to them even though they are created with intention of more free-flowing conversation.”

98. More pertinently, the preparation of meeting agendas demands further attention. The Coordinating Group, in consultation with the Secretariat, is responsible for developing the Board meeting agenda with input from Board constituencies.⁵³ However, as illustrated by survey responses, stakeholders feel the number of items on the meeting agenda is excessive (a decline in score since the previous GPA). Further, the extensive meeting agendas typically allow just one round of comments and replies from the Secretariat and no further debate afterwards. As observed in the Board meeting in November 2023, votes can be consequently cast even if not all questions from Board members have been answered.



99. Board Leadership and the Coordinating Group should therefore put forward a proposal on how to reimagine Board meeting agendas to more effectively deliver strong strategic oversight and clear direction. Agenda items should be selected based on whether they are essential to discuss and decide in formal, public meetings, while issues that do not require public decisions but warrant deeper strategic discussion should be tackled in retreats, executive sessions, and pre-meeting spaces.

⁵² Operating Procedures of the Board and Committees of the Global Fund to Fight AIDS, Tuberculosis and Malaria (2022): Provision 10.1

⁵³ Operating Procedures of the Board and Committees of the Global Fund to Fight AIDS, Tuberculosis and Malaria (2022): Provision 15.1

“Board Leadership needs to be more assertive in reducing the number of agenda items to enable more strategic and purposeful discussions.”

Beyond formal meetings, ‘informal’ spaces are seen as effective fora to support positive dynamics between Board constituencies.

100. Given the preeminence of statement reading in formal Board meetings, informal spaces were cited as important for open exchange and discussion. One such example is Board retreats – most recently conducted in November 2023.
101. Some participants, for example, reflected very positively on their experience at the most recent Board retreat, noting more open discussions and a smoother format relative to previous retreats. This included the Coordinating Group assigning participants to small groups and posing them with questions that they weren’t previously informed about to ensure spontaneity in responses as well as cross-talk and challenge between groups. This was highlighted as being a significant departure from Board meetings as retreat discussions were closed and offered a “safer” space for expression and no opportunity for pre-prepared statements to be read by constituencies. Retreats were also commended for supporting collegiality between Board members and fostering trust.

“Retreat discussion is more interactive, open, trust-based, and frank. Definitely of value and starting to happen more often following a hiatus during Covid years.”

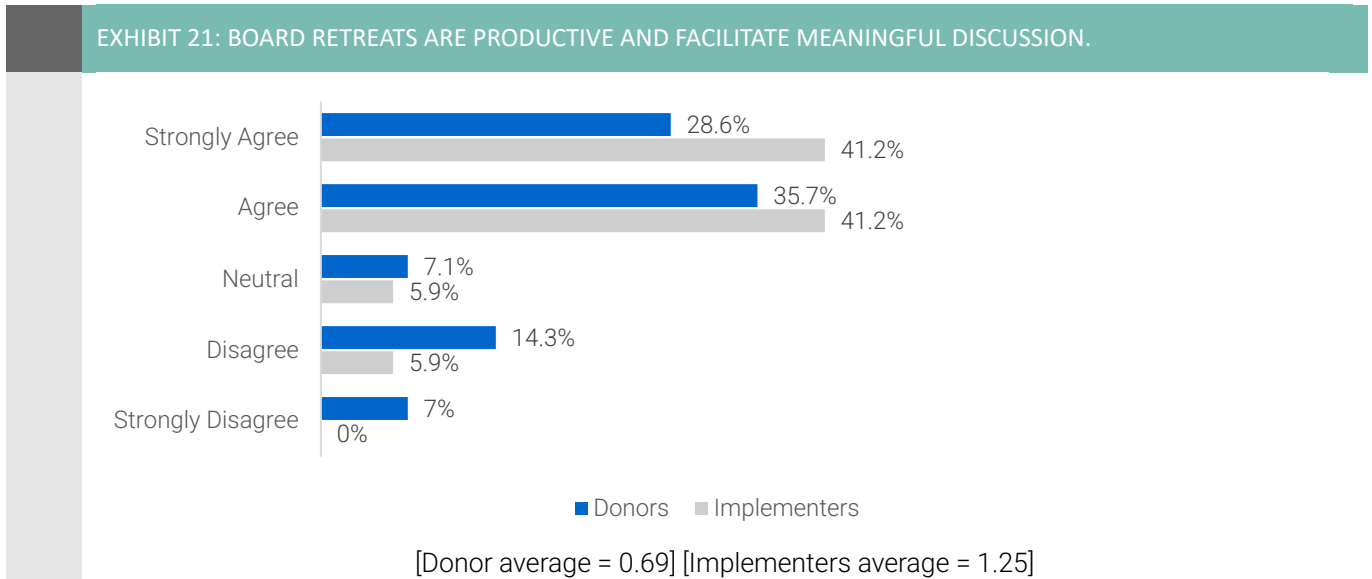
“I saw a shift at the last retreat in terms of culture. Rather than the Board being quizzed on whether the Secretariat is delivering, I heard Board members speak with a greater sense of responsibility and accountability for what the Board is doing: whether the Board is delivering, constituencies’ responsibility to the Global Fund, having the right discussions and making the best decisions for the organisation.”

102. On the other hand, some participants were more critical about the retreat and the lack of productivity of its discussions. Some commented that the retreat lacked structure (i.e. not enough allocated time for open discussion) while simultaneously being too orchestrated in other aspects (i.e. restricted conversation and opportunities for discussion of more challenging issues). Similarly, it was noted by some that the “ever-presence” of Secretariat staff limited openness and there was room for improvement in the retreat’s facilitation and time management. Concerns were further noted regarding the relevance of retreat outcomes and linking informal discussion insights to formal settings.

“The retreat had too much expectation given the short time we had. It was not structured enough; we needed more time for unstructured discussion. Retreats need strong facilitation skills to get through crunchy issues. The Board also needs to be independent (without Secretariat steer) in retreat.”

“I enjoyed the nature of the more intimate discussions at the last retreat, however it felt overly managed and I don’t feel that there were any meaningful output or takeaways. It ended on a rather sour note, which was in part because people’s expectations had not been effectively managed.”

103. Moreover, survey responses highlighted further divergence in Board members’ experiences at Board retreats as implementer constituencies reflected more favorably than their donor counterparts (see Exhibit 21).



104. In support of freeing up meeting agenda space and facilitating more discussion time (discussed above), Board retreats should be used as a forum for open discussion of important topics that don’t necessarily need immediate decision or discussion in Board meetings, and could also offer opportunities to sample different formats for discussion, such as panel debates.

“We had an informal Board call last week [...] and then followed up concretely with next steps. Not all Board members are on the same page so it’s important to facilitate these discussions to encourage meaningful dialogue and make sure we are implementing on these ideas.”

105. During the Covid-19 pandemic, informal sessions were frequently held and they were noted as being well attended and providing a necessary space for information sharing. These benefitted Board dynamics and the relationship between the Board and Secretariat during a period of mounting internal tension and external scrutiny. Changes in circumstances have entailed fewer informal sessions but some suggested a return to more of these (albeit, less frequent than the Covid-19 period) could be beneficial to ease tensions between Board members and with the Secretariat (see Section VII. Relationship between the Board and Secretariat).

“During Covid, there were informal Board calls, where the Executive Director would update the Board, which created a very good atmosphere as the Board felt it had more access to Executive Director and could talk to the Management Executive Committee on a more frequent basis than before. These sessions helped ease tensions between the Board and Secretariat. I think they should continue, though less frequently.”

“During Covid, what really worked is that the Secretariat had very regular updates: information sharing and not necessarily a decision to be taken. They communicated a lot and people felt heard and could interact much more than Board meetings and Committee meetings.”

106. However, it was also acknowledged (particularly by the Secretariat) that the effectiveness of these sessions is contingent on their attendance. Given the nature of the Board's profile, there are already considerable barriers to scheduling formal Board meetings hence holding more informal sessions with high attendance and participation from Board members is deemed unrealistic. Furthermore, it was noted that informal sessions require significant resourcing to prepare and implement hence low attendance was a source of frustration for the Secretariat.

"Hardly anyone turns up [to informal meetings] so they feel like a waste of time. The Secretariat spends ages making these presentations and little interaction. Feeling of why do we bother. Useful for some but people need to feel they are valued. [...] Need those types of informal call but need a purpose or a sense of urgency."

"Retreats and informal calls have to bring some kind of outcome, not just to meet."

There is a perceived distinction and power imbalance between donor and implementer constituencies.

107. There are variable levels of resourcing, technical support, and meeting preparedness between donor and implementer constituencies. We have heard in interviews that members of donor constituencies tend to have significantly more resourcing capacity and support in their engagement with the Global Fund, including in preparation for meetings. For example, some donor constituencies maintain dedicated teams to read and synthesize meeting materials and assist in the preparation of statements, meetings, calls, and general engagement. Moreover, some Board members from donor constituencies sit on the Global Fund's Board as part of their wider work portfolio and receive support from the institution where they hold their full-time position (e.g., the Ministry of Health, Ministry of Foreign Affairs) in meeting preparation and reading the documents.
108. In contrast, implementers' resourcing may be limited to the financial support provided by the Global Fund, whereby they are provided funding support to cover certain eligible costs (including the salary of the CFP),⁵⁴ with the rest being voluntary (with the exception of the two African constituencies, who are supported by the African Constituency Bureau). Some CFPs may also be disproportionately focused on supporting their constituency's Board member due to the CFP being appointed by the Board member. Though this occurs at both donor and implementer constituencies, this leaves the remainder of implementer constituency members with more limited support and resourcing for engagement as their CFPs typically do not have devoted support staff. This is exacerbated by some implementer constituencies spanning large, diverse geographies and having limited time to translate all meeting material between their circulation and the Board meeting.
109. Furthermore, meeting dynamics are impacted by the realities of the global health financing ecosystem whereby donor constituencies at the Board table are also bilateral donors to implementer governments (outside of the Global Fund). As such, many implementer constituencies expressed a need to be mindful of what they say in Board meetings as they try to maintain and safeguard their own bilateral arrangements with donors in addition to the Global Fund's support. This may have a "chilling" effect on implementers' ability to fully voice their concerns and speak freely.
110. Juxtaposed against this is the perception expressed by several interviewees that donor constituencies tend to ask more detailed questions and make more demands of the Secretariat. The Secretariat can

⁵⁴ Constituency Funding Policy, Approved by the Global Fund Board on 8 December 2016, GF/B36/EDP02

subsequently be perceived to be more responsive to these donor constituencies than to the implementer constituencies, likely stemming from a need to keep donors satisfied and reassured to facilitate continuous funding. Thus, the level of preparation and engagement between donors and implementers is often imbalanced.

111. Regardless of commendable efforts by the Global Fund to address differences in the resourcing and capacity of donor and implementer constituencies (see *Section V. Constituency Engagement*), interviewees maintained the perception that implementer constituencies are less vocal and engaged in Board meetings than their donor counterparts and resources remain disproportionately influenced by donor constituencies. This is not exclusive to the Global Fund and is a governance challenge faced by many international, multi-stakeholder organisations.⁵⁵

“The trend here is you have a set of well-prepared donor countries that have varying degrees of support teams devoted to the Global Fund and you have a group of implementer countries where the quality of representation is pretty variable.”

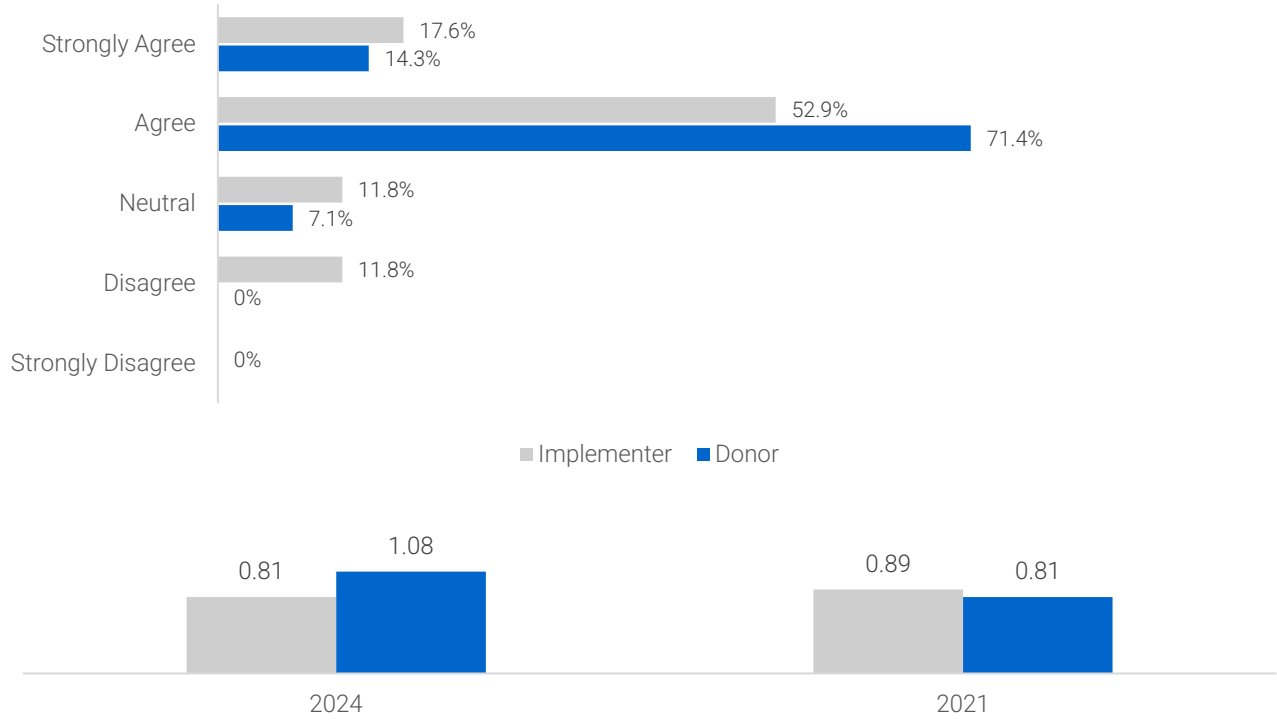
“There’s an imbalance between donor and implementer constituencies when it comes to ability to document what is in background and what are consequences of decisions. I don’t have a solution for this, only way is for implementer to become stronger in terms of background support.”

“Implementers need to be clear on the issues that are preventing results. Implementing countries are more quiet than the donors deciding on the key issues. It needs to be balanced.”

112. Though this perception was expressed strongly in interviews, surveys divergently suggested there is more equal participation, as responses from both donors and implementers expressed that they feel they effectively participate in decision-making in a balanced manner (shown in Exhibit 22 below).

⁵⁵ Ebrahim, E., Brown, L.D., and Batliwala, S. (2022) ‘Governance for global integration: Designing structure and authority in international advocacy NGOs’ in *World Development* (160).

EXHIBIT 22: DONOR AND IMPLEMENTER CONSTITUENCIES EFFECTIVELY PARTICIPATE IN THE DECISION-MAKING PROCESS IN A BALANCED, PRODUCTIVE WAY.



RECOMMENDATIONS

113. It is necessary to enhance the effectiveness of Board meetings as a space for active discussion, strategic oversight and clear direction setting. As described above, the practice of reading prepared statements has hindered the potential of Board meetings to be a space for interactive discussion, strategic oversight and clear direction setting. We have therefore identified recommendations that (i) help the Global Fund to decide on its preferred practice for Constituencies to present their views during Board meetings; and (ii) suggest alternatives if a move away from statement reading is preferred.

Rec. 5	<p>The Board should discuss and decide if the practice of reading out constituency statements is the preferred working mode of the Board. If not, concrete ways of changing this should be agreed. These could include:</p> <ul style="list-style-type: none"> • Dedicate an opening session to the reading of prepared statements for the full agenda of the Board meeting (not in each session) and any reactions to that. After this session, Board members then cannot read out any statements. The new Board information portal should be leveraged to share and encourage the reviewing of prepared statements beforehand. • Board Leadership could prepare a summary of the discussion in this opening session, including areas of convergence, areas of disagreement, and trade-offs and tensions that are arising. This would be reflected back to help the Board focus on issues and questions that need to be resolved to move forward with clear direction. The sharing of this summary would then begin a deeper round of discussion. As the
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	<p>Board meeting progresses, Board leadership should connect back to substance and outcomes from the various sessions to demonstrate coherence across discussions.</p> <ul style="list-style-type: none"> • Board Leadership should summarise each session, noting points of convergence and divergence coming from the discussion, and identifying areas of clarification and further discussion and exploration. <p>If the reading of statements is deemed the most appropriate form in the future, the potential frustrations stemming from this practice should be addressed, perhaps by reducing formal meeting time and increasing other forms of exchange.</p>
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114. In addition, the Board struggles to consider and make the trade-offs that are necessary on key strategic issues. This issue could be exacerbated by the Board not receiving the information it feels is necessary to properly consider and debate trade-offs and that when trade-offs are presented to the Board, they could be better described. The way meeting agendas and discussions are currently structured may also be compounding this problem as they are not optimised for strategic reflection.
115. Thus, there is a need for the meeting materials and agendas to better support clear decision-making and enable engagement with strategic issues and discussion of priorities and trade-offs. Therefore, several of our recommendations are aimed at enabling better discussion around strategic issues and trade-offs.

<p>Rec. 6</p>	<p>Continued efforts should be made to design, frame, and time Board meeting materials to enable engagement with strategic issues, the weighing of trade-offs, and delivering clearer decisions / directions for implementation. Meeting materials should clearly identify trade-offs, options, and risks.</p> <p>Efforts to reduce overall volume of material as per the existing guidelines should also be continued. All reference documents should be made available on the Board portal.</p>
<p>Rec. 7</p>	<p>Board Leadership and the Coordinating Group should put forward a proposal on how to reimagine Board meeting agendas to maximise time spent on strategic issues and minimise duplication between Committee and Board discussions.</p>
<p>Rec. 8</p>	<p>The Board should explore the use of different discussion formats, for example panel debates, for specific issues to stimulate the active exchange of ideas and invite challenging views to be aired respectfully. Depending on the issues discussed, Board Leadership may appoint a panel of different Board, Committee, or constituency members as panel members to lead the discussion.</p>

IV. BOARD COMMITTEES

The Board does not fully leverage the work of the Committees, leading to duplicative discussions at Board meetings.

117. Typically, large multi-stakeholder organisations have their board governance predicated on their boards meeting relatively infrequently (compared to corporate boards) due to time constraints and other responsibilities of its board members. Constituency boards consequently delegate responsibilities or significantly leverage advice from their committees in an effort to enhance oversight and improve the performance of the board's role.⁵⁶ Ensuring the right committee composition is therefore key to effective multi-stakeholder board governance.
118. The Global Fund Board has three Standing Committees to support its functioning: the AFC, EGC, and Strategy Committee. The AFC provides oversight of the financial management of the Global Fund's resources, as well as oversight of internal and external audit.⁵⁷ The EGC primarily oversees the adherence of the Global Fund and its stakeholders' to ethical standards and the implementation of procedures and operations related to the Global Fund's governance structure and functions.⁵⁸ The Strategy Committee provides oversight on the overall strategic direction of the Global Fund and ensures optimal impact and performance of its investments.⁵⁹ There is general satisfaction with the number and type of Committees.
119. As a constituency-based organisation, the Global Fund tries to ensure ample constituency representation in Committees' composition. Each Committee Charter has specific requirements for their respective membership and, though criteria differ per Committee, all balance the number of voting members between donor and implementer constituencies, as well as having non-voting Committee Leadership (that are selected from Board constituencies but act neutrally).⁶⁰ There are also variable levels of independent representation on the Committees: the EGC's composition has one non-voting independent member with ethics expertise,⁶¹ the AFC maintains two non-voting independent members (one with financial audit expertise and the other with forensic investigations expertise),⁶² while the Strategy Committee does not have any independent members.⁶³ Further, EGC members are nominated by constituencies but serve in their personal capacity once appointed.⁶⁴

⁵⁶ Nestor, S. (2018) *Board Effectiveness in International Financial Institutions: A Comparative Perspective on the Effectiveness Drivers in Constituency Boards*.

⁵⁷ As per the Charter of the Audit and Finance Committee (2022)

⁵⁸ As per the Charter of the Ethics and Governance Committee (2022)

⁵⁹ As per the Charter of the Strategy Committee (2022)

⁶⁰ As per Provision 42 of the Operating Procedures of the Board and Committees of the Global Fund to Fight Aids, Tuberculosis and Malaria (2022).

⁶¹ Ethics and Governance Committee Charter, 12 May 2022, Article C.3

⁶² Audit and Finance Committee Charter, 12 May 2022, Article C.3

⁶³ Strategy Committee Charter, 12 May 2022, Article C.3

⁶⁴ Ethics and Governance Committee Charter, 12 May 2022, Article C.3

120. Despite efforts to balance representation⁶⁵ and engagement,⁶⁶ it is not possible for all constituencies to sit on every Committee. This has consequently led to the unintended practice of Committees' meeting discussions being duplicated in Board meetings due to either a desire on the part of many Board members to be part of those discussions or a lack of trust from constituencies to fully delegate relevant issues to the Committees.

"We have duplicative conversations at Committee then Board levels. Partially due to the setup: not everyone on the Board sits on the Committees. We need real trust and delegation to bring those conversations forward and faith in those who sits on the Committees so we don't need to rehash discussions on the Board."

121. The Global Fund maintains several practices to ensure that a wide breadth of voices can be heard at the Committee level. For example, Board and Alternate members can observe all Committee meetings (and in practice, other constituency members can observe as well)⁶⁷ and non-represented constituencies can issue statements to Committees whereby Committee Leadership read them out and bring them into deliberation.⁶⁸ It should be noted that there is an inherent trade-off involved here, as broadening observers to Committee meetings may reduce their conduciveness to open exchange.
122. However, without the capacity to directly participate in meeting discussion and/or vote, constituencies are not able to ensure their official stances are included in Committees' deliberation, hence the duplication in Board meeting discussions.
123. It was acknowledged that mission-critical decisions recommended by Committees may still require further discussion at the Board-level due to their significance. However, duplicative discussion for less pressing matters was criticised for diminishing available Board meeting time for Board-level discussion and decision-making: a finite resource given the sheer volume of items on Board meeting agendas and the duration of time absorbed by constituency statement reading (see *Board Dynamics and Functioning* above).

"Division of responsibilities between the Committees and Board is lacking. Very simple things need to be delegated because we don't have the space on the Board calendar."

"Issues that have been fully ventilated at the Committee level should not be included for lengthy discussion at the Board. It's duplication of effort and takes away time needed for more fulsome discussions."

⁶⁵ As per Provision 43.3 of the Operating Procedures of the Board and Committees of the Global Fund to Fights Aids, Tuberculosis and Malaria (2022): Each voting constituency should be represented in the Strategy Committee and the AFC for at least one term within a three terms cycle and each voting constituency should be represented, in any given term, in at least the Strategy Committee or the AFC.

⁶⁶ As per Provision 45.1 of the Operating Procedures of the Board and Committees of the Global Fund to Fights Aids, Tuberculosis and Malaria (2022): Either the Board Member or the Alternate Member of each constituency may attend a Committee meeting as an observer.

⁶⁷ Though there is a subsequent trade-off in terms of ensuring candour in Committee discussion: the more observers, the less likely Committee members' exchange will be open and unfiltered.

⁶⁸ As per Reflecting Non-Represented Constituencies Input in Committee Deliberation – Best Practice (2020)

Though the quality of current Committee membership is widely appreciated, bolstering existing nomination practices would support overall Committee effectiveness.

124. While the nomination and appointment of Board members is deferred to constituencies,⁶⁹ Committee member selection combines constituency nomination processes with a degree of oversight from the Global Fund. As per the Operating Procedures,⁷⁰ constituencies carry out a competency-based nomination process and submit a prioritized list of names of individuals they wish to nominate for Committee membership. Constituencies carry out an initial integrity due diligence review for each nominated candidate (with guidance from the Global Fund Ethics Officer). The EGC evaluates candidates according to their skills and experience relative to Committees' mandates and the Global Fund's list of key competencies per Committee,⁷¹ the balance of representation among Board constituencies, and the individual's experience with the Global Fund. Based on the outcomes of this vetting process, the EGC presents their assessment to Board Leadership, who in turn consult with the Coordinating Group, and then finally present their suggestion to the Board for approval, considering principles laid out in the operating procedures amongst others to ensure continuity and renewal on committees.
125. Although Board survey responses were generally positive towards the distribution of skills and experience across Committee membership (see Exhibit 23 below), interviewees did question the effectiveness of the EGC's assessment of candidates and empowerment to pushback on constituencies.

"Committee Leadership needs to feel empowered to push back on constituencies and their nominations. There's been obvious cases where candidates aren't suitable but there's also been some grey areas. There should be more scrutiny and higher expectations of candidates."

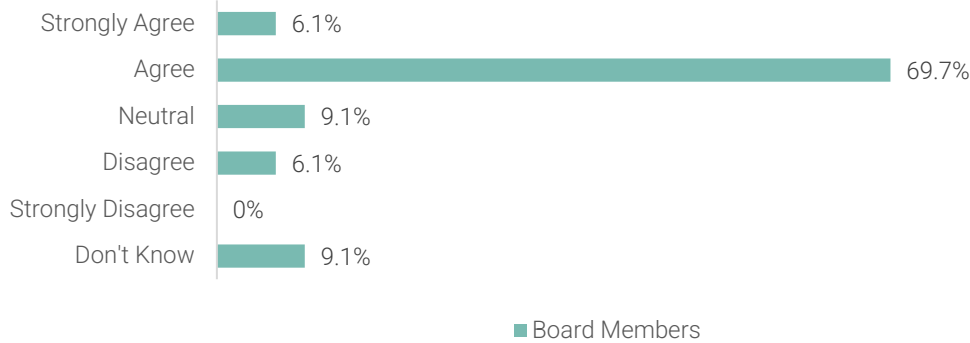
"While overall there are some strong members in Committees, some of the Committee memberships have shown to not have the right level of expertise or experience to be in the Committee.."

⁶⁹ As per provisions 3.1 of the Operating Procedures of the Board and Committees of the Global Fund to Fights Aids, Tuberculosis and Malaria (2022).

⁷⁰ As per provisions 43.2 and 43.3 of the Operating Procedures of the Board and Committees of the Global Fund to Fights Aids, Tuberculosis and Malaria (2022).

⁷¹ As per Table 2 in Annex 1 of the Operating Procedures of the Board and Committees of the Global Fund to Fights Aids, Tuberculosis and Malaria (2022).

EXHIBIT 23: OVERALL, I AM SATISFIED WITH THE DISTRIBUTION OF KNOWLEDGE, SKILLS, AND EXPERIENCE ACROSS COMMITTEE MEMBERSHIP (I.E. THE RIGHT PEOPLE SIT ON THE RIGHT COMMITTEES).



[Board 2024 average = 0.83] [Board 2021 average = 0.81]

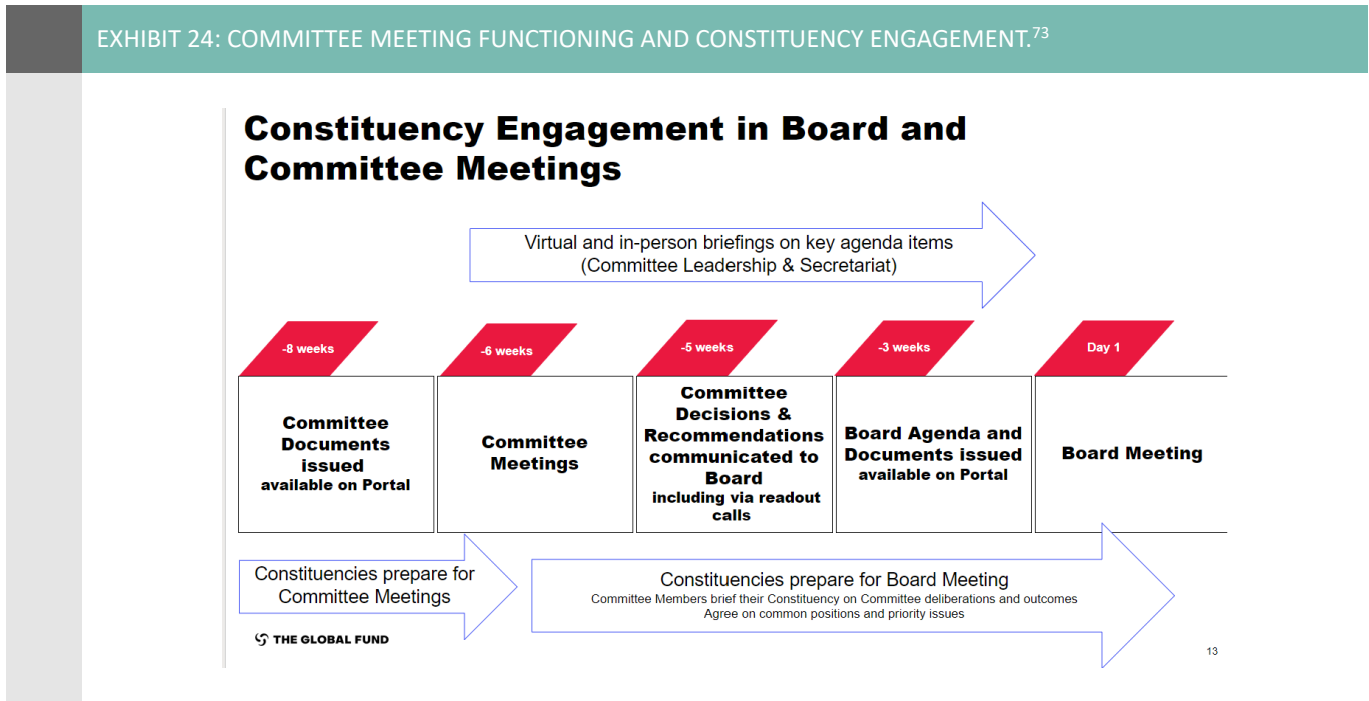
126. Consequently, though the AFC was generally viewed as effective with a strong composition, some also acknowledged that some constituencies struggled to find appropriate candidates with the requisite technical skills.
127. Existing processes and practices should therefore be followed more consistently and strengthened to ensure competency-based nominations, effective vetting, and suitable appointments of Committee members. Given that the next Committee member selection process is due in 2025, this can contribute to bolstering trust in the Committees' composition and effectiveness in the near future. To this extent, Committees should enhance existing competency matrices by regularly mapping the extent to which the current Committee membership reflects required competencies. Based on the needs identified by each Committee, the EGC should request constituencies to nominate individuals with the relevant competencies. Following these better-informed nominations by constituencies, the EGC can continue to work with Committee Leadership to carefully vet candidates with needed competencies in mind. Where specific expertise is unlikely to be found in constituencies, the EGC should conduct a search for qualified independent candidates.
128. Moreover, Committee membership and deliberation can be strengthened via greater independent representation. For example, at the EGC, it was identified by some that its requirement to have an independent member with ethics expertise should be further supported with an independent member with governance expertise. Naturally, there are challenges when introducing greater independent membership to Committees that have compositional criteria to safeguard constituency representation.⁷² Furthermore, adding more members to Committees risks limiting its effectiveness with too many people around the table.

"If you want someone to have an interest in the Global Fund rather than their constituency then independents are a good place to start."

⁷² Though EGC members serve in their individual capacity, as per Provision 43.3 of the Operating Procedures of the Board and Committees of the Global Fund to Fight AIDS, Tuberculosis and Malaria (2022).

Enhancing the interface between Committees and the Board can better support decision-making and reduce duplicative discussions at Board meetings.

129. Another contributing factor to duplicative Committee discussion at Board meetings is a perceived lack of feedback from Committee meeting discussions being reflected in Board meeting materials. As illustrated by Exhibit 24, the Global Fund’s approach to meeting scheduling aims to hold Committee meetings six weeks prior to Board meetings and then providing Committee decisions and recommendations to the Board five weeks before Board meetings. This should afford constituencies a sufficient window to engage in the preparation of all Board decisions as they can start deliberating on recommendations of the Committees before receiving meeting papers. We also note that a Committee read-out call is held, and Committee inputs are included in Board meeting materials in a dedicated session.



130. However, practice appears to differ from the above process, as we were informed that there is typically limited time and resourcing to prepare Board papers to effectively reflect Committee deliberation. For example, we were told that Board meeting papers often recycle Committee meeting materials with a very brief note summarising Committee meeting deliberation. The framing and presentation of such material does little to minimise duplication in Board meeting discussion.

"Duplicative conversations also occur due to the effort it takes to move issues forward from the Committee stage to the Board stage. Needs considerable Secretariat effort to reflect and prepare for the Board conversation but there's often a lack of time and energy to make it happen."

"The read-out call from each Committee is really helpful to provide an update of deliberations but it would be so helpful if this could also be given to the Board in writing. Often we have to wait for the report to come out and it takes so long that we are not able to use it to prepare for the Board meeting."

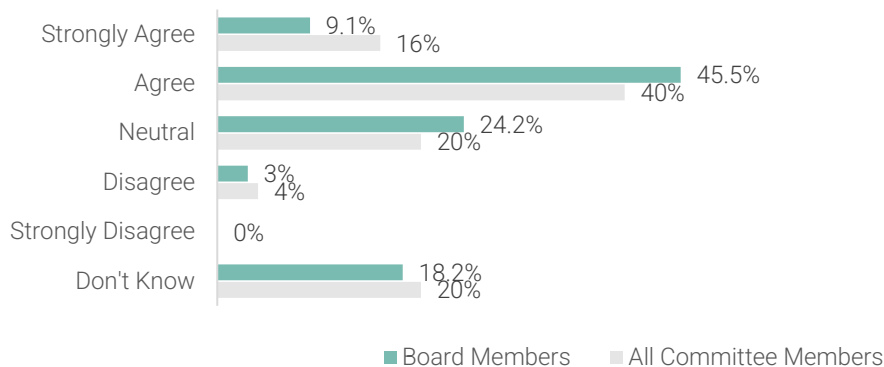
⁷³ 'Constituency engagement' from Onboarding Guide for Board Members (2023)

Given that the talking points are already done, I don't really understand why they can't just share the read out in writing as well as verbally."

- 131. Ensuring effective Board meeting discussion requires the Board to be well apprised of Committee deliberation. Beyond the current practice of materials including summaries of Committee deliberation, Committee reports should indicate clearly what questions must be resolved or decisions need to be made by the Board.
- 132. In meetings, Committee Leadership should clearly indicate what questions must be resolved or decisions made at Board-level in meetings. Moreover, Board agendas should shape Committee agendas so that Board meetings can better focus on decision items that are informed by Committee opinions. Therefore, it should be explored if increasing the time-lapse between Committee and Board meetings would help the preparation and framing of the agenda for the Board meeting. This should also consider the effects (pros and cons) of this to the full governance calendar (as it may affect, for example, the July Committee meetings).
- 133. The Coordinating Group has a significant role to play in reducing duplication in this respect, both across Committees as well as between the Committees and Board. As per its mandate, the Coordinating Group oversees coordination between Committees and ensures collaboration between Committees on cross-cutting matters and exchange among Board, Committee, and Secretariat Leadership.⁷⁴
- 134. Interviews highlighted a variety of intersecting issues that fall under the remit of multiple Committees, including Country Coordinating Mechanism (“CCMs”) engagement and certain types of risk relevant to both the AFC and Strategy Committee. In such cases, the Coordinating Group played a proactive oversight role and was commended for its handling of cross-cutting issues, as highlighted by the Board’s positive survey response to the effectiveness of the body and a notable improvement since the last GPA (see Exhibit 25).

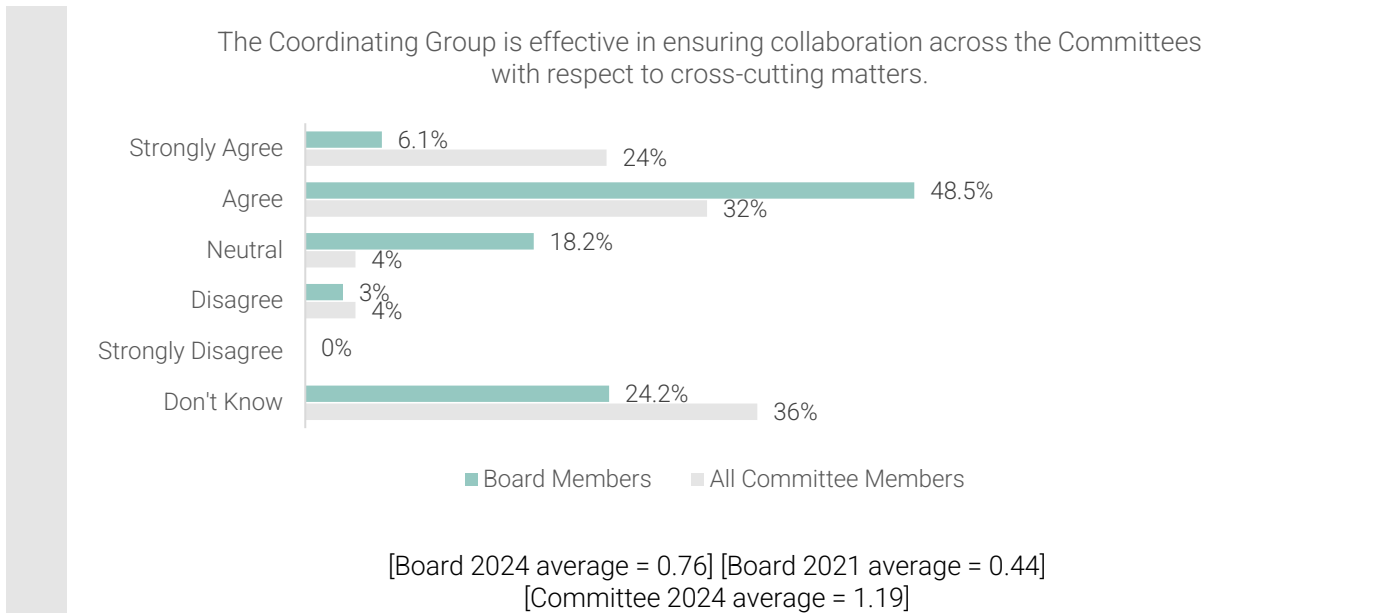
EXHIBIT 25: EFFECTIVENESS OF THE COORDINATING GROUP.

The Coordinating Group effectively supports the Board and provides clear added value to the Board’s proceedings.



[Board average 2024 = 0.74] [Board average 2021 = 0.58]
[Committee 2024 average = 0.85]

⁷⁴ Global Fund (2016) Terms of Reference of the Coordinating Group



135. Despite progress, it was also noted that there is a need to continue to ensure alignment of Committee and Board discussions and resolve any potential overlap on specific issues. Further, the Coordinating Group should work to ensure aligned inclusion of Committees’ perspectives on Board issues and the Committee Leadership should ensure that the Board discussions are pitched at a level different from that of the committees.

“Whilst relationships are strong between the Coordinating Group, I don’t believe there is enough interest in what the other is doing and this naturally leads to a disconnect.”

136. A few interviewees expressed that the Secretariat and the Coordinating Group may be too close and too aligned on some issues. As such, some interviewees opined that Board Leadership and the Executive Director act seemingly as a collective body rather than Board Leadership representing the Board and holding the Secretariat to account. The last GPA noted that the relationship and trust between the Board and Secretariat was a key area for improvement, and we note that an effort has been made to address this through the use of the Coordinating Group as a bridge between the two. The perception of the Coordinating Group’s closeness to the Secretariat appears symptomatic of the larger issue that trust between the Board and Secretariat still needs to be improved (this is discussed in greater depth in VII. Relationship between the Board and Secretariat).

“I think the Secretariat are too present in the Coordinating Group. Board and Committees need their own moments for independent conversation.”

“We appreciate the effort made by Board Leadership and the Secretariat to work together but sometimes there are too close to move things forward.”

RECOMMENDATIONS

137. The fact that Committees are smaller in size than the Board means that not every Constituency can be represented on every Committee. This has consequently led to the unintended practice of Committee meeting discussions being duplicated in Board meetings due to either a desire on the part

of many Board members to be part of those discussions or a lack of trust from Constituencies to fully delegate relevant issues to the Committees. This duplicative discussion thus diminishes the already limited Board meeting time available for Board-level strategic discussion and decision-making.

138. It is therefore important to identify ways in which the Board can better leverage the work of the committees, as well as bolster nomination practices for Committee members to enhance overall Committee effectiveness. Our recommendations focus on addressing these issues through:
- (i) Ensuring efficient alignment between the work of the Board and the Committees, with this work being led by the Coordinating Group;
 - (ii) Ensuring the Board and Constituencies are well apprised of Committee work and discussions by reframing the information received in Committee reports;
 - (iii) Ensuring that individuals with relevant knowledge, skills, and experience are nominated and selected as Committee members.

Rec. 9	The Coordinating Group should continue to ensure alignment of Committee and Board discussions and resolve any potential overlap on specific issues. Further, it should work to ensure aligned inclusion of Committees' perspectives on Board issues and the Committee Leadership should ensure that the Board discussions are pitched at a level different from that of the Committees.
Rec. 10	Efforts should be continued to ensure that the Board is well apprised of Committee discussions in order to effectively frame and focus Board discussion via Committee readouts and reports. Beyond the current practice of materials including summaries of Committee deliberation, Committee reports should indicate clearly what questions must be resolved or decisions need to be made by the Board.
Rec. 11	<p>Committees should regularly map competencies of current Committee membership and identify important needs and gaps to be filled when off-cycle vacancies arise.</p> <p>Committee Leadership and the Ethics and Governance Committee should consistently follow the Operating Procedures during the nomination of committee members. Therefore, they should proactively assess nominations made by constituencies with needed competencies in mind and query constituency nominations that do not reflect relevant competencies and expertise.</p> <p>Additionally, where specific expertise is unlikely to be found in constituencies, the Ethics and Governance Committee should conduct a search for qualified independent candidates.</p>

V. CONSTITUENCY ENGAGEMENT

139. Constituencies play a key role in the Global Fund and its governance, and a special emphasis has been placed on them in this review. All voting seats on the Board are split evenly between donor and implementer constituencies, with five additional constituencies having a non-voting seat. The donor constituencies are determined based on their contributions,⁷⁵ with the single country donors historically being the largest donors⁷⁶. The implementer constituencies are based on WHO regions, with Africa split into two constituencies.⁷⁷ There is also representation among the implementers for Communities, Developing Country NGOs, and Developed Country NGOs. There are eight ex-officio members on the Global Fund board, including the Executive Director, Chair, and Vice-Chair, who hold a non-voting seat.⁷⁸
140. Whilst each constituency has a Board member, an Alternate, and a CFP, the set-up of the constituencies themselves is very diverse, with some consisting of just a single country and others having over 40 constituent members. All the implementer constituencies have multiple members, whereas five of the donor constituencies are made up of a single country (although, within this country there may be multiple interests in terms of different government departments, among others.).
141. Under the principle of constituency ownership,⁷⁹ each constituency is responsible for its own internal practices, which includes the selection process of Board and Alternate Board members, nomination for Committee membership, appointment of the CFP, and general internal ways of working. Even though the Global Fund has established the Constituency Management Guidelines to offer guidance on best practices that constituencies could follow, each multi-member constituency creates their own frameworks that detail these procedures. Therefore, constituencies are not bound to follow the guidelines, and there is significant variance in the approach to the frameworks and practices, as well as the quality of these. The issue of quality is exacerbated by not all constituencies sharing their framework with the Legal and Governance department, who could otherwise assist in helping them to move towards better practices.
142. Some of the variations in practice relate to:⁸⁰
- 142.1. **The capacity of their Board member:** Some of the constituencies, primarily the donor constituencies, appoint a Board member who sits on the Board of the Global Fund as a formal part of their job and falls into the general remit of their work portfolio. On the other hand, many of the implementer Board members sit on the Board as an addition to their main role. This places significant additional time commitment stress on them compared to donor Board members.
- 142.2. **Frequency of update of constituency frameworks:** The frequency with which constituency frameworks are updated is inconsistent, with some not having been updated since at least

⁷⁵ The Global Fund, Donor Group Revised Process for Public Donor Seat Allocation, 09-10 May 2018 GF/Bt9/15

⁷⁶ The private sector and private foundations are both represented among the donor constituencies.

⁷⁷ Bylaws, Section 7.1

⁷⁸ Bylaws, Section 7.1 detail that the ex-officio non-voting members (excluding those listed above) are representatives from the WHO, UNAIDS, the Partners constituency, and the World Bank.

⁷⁹ Constituency Management Guidelines, February 2023, Section 1

⁸⁰ Please note that this is not a comprehensive or exhaustive list of the different practices seen.

2017. Some frameworks are also not dated, so it cannot be ascertained when they were last updated.

- 142.3. **The content of constituency frameworks varies significantly:** There are significant differences in terms of the length and level of detail contained within different frameworks – some frameworks are a page long, whereas others run to over 60 pages.
- 142.4. **Performance assessments:** Some constituencies run performance assessments each year for their Board member, Alternate, and CFP – some even do this for their whole delegation. It is outlined in the Constituency Management Guidelines that it is best practice to regularly undertake such assessments,⁸¹ but the practice is far from universal. All constituencies could highly benefit from consistently undertaking such performance assessments.
- 142.5. **Key performance indicators:** There is the same variation regarding the existence of key performance indicators. Some constituency frameworks include key performance indicators for all members of the delegation, against which their performance is measured. Examples of these include involvement in discussions, active participation, and quality and effectiveness of responses for requests for input.
- 142.6. **Organisation and meetings:** The approach to organisation and meetings in-between Board meetings also differs. Some constituencies hold regular virtual meetings to update constituency members on different matters (with the role of the CFP being very important in keeping constituents up to date on matters between meetings). Some constituencies also hold annual retreats, where the whole constituency will come together in-person and discuss strategy and priorities for the year. For implementer countries, these costs may be covered by the Individual Funding Envelope provided by the Global Fund;⁸²
- 142.7. **Approach to rotation and nomination of the Board member:** The nomination of Board members varies substantially between constituencies: some agree to have a specific constituency member to hold the seat, some have a funding threshold that needs to be reached, others have a specific rotation cycle, some rely on the CCMs to nominate potential Board members, and some have an open call for applicants. The Constituency Management Guidelines detail a list of competencies that constituencies should look for in their Board member. However, interviewees flagged that many of the constituencies are not putting sufficient focus on selecting Board members with the right profile and skills (discussed in more detail below in *Section VI. Board Profile*);
- 142.8. **Funding from the Global Fund:** Only implementer constituencies qualify for funding support from the Global Fund to cover certain eligible costs. These include the salary of the CFP, cost of delegates' participation in Board meetings, costs of organisation and preparation for Board meetings, costs related to the dissemination of information within the constituency, and the cost of consultancy fees for external experts on technical and advisory support.⁸³ However, some implementers flagged that this funding may not always be sufficient to cover

⁸¹ Constituency Management Guidelines, February 2023, Section 4.8

⁸² As laid out in the Constituency Funding Policy (approved by the Global Fund Board on 8 December 2016 GF/B36/EDP02), the Office of Board Affairs determines an Individual Funding Envelope for each implementer constituency. This Funding Envelope can be used on eligible costs related to the constituency, including the holding of meeting and retreats for a constituency ahead of Board or committee meetings.

⁸³ Constituency Funding Policy (approved by the Global Fund Board on 8 December 2016 GF/B36/EDP02), Article 5

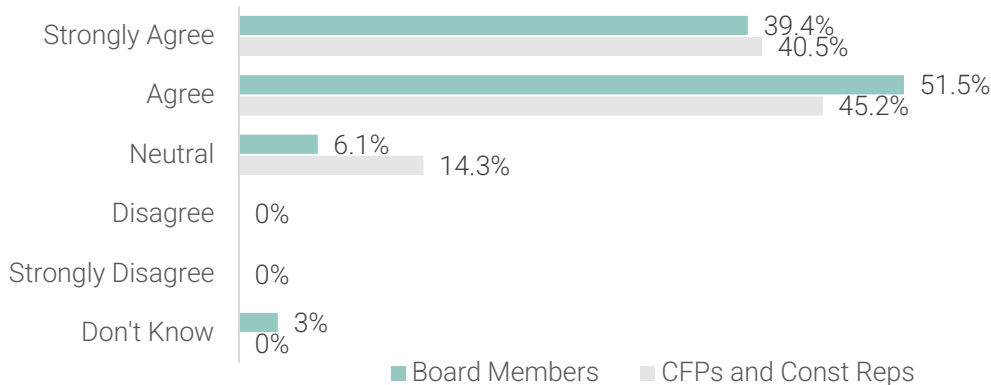
all expenses, with the result that they have to make up the shortfall internally within their constituency.

- 142.9. **Additional support:** The two sub-Saharan African constituencies are also supported by the African Constituency Bureau (“ACB”), an organisation outside of the Global Fund. The ACB assists these two constituencies in their engagement in the Global Fund’s governance, and outlines rotation patterns for their Board members, as well as the desired competencies, nominations process, and voting procedure, among other topics.
- 142.10. **Shadow working groups:** Finally, some constituencies have formed working groups that shadow the AFC, EGC, and Strategy Committee. They assist in preparing discussion points on specific topics from their scope of work.

Constituencies feel they effectively contribute and participate in Board meetings.

143. There is a very strong consensus among constituency members that their constituency effectively contributes and participates at each Board meeting. Through their Board member, each constituency gets the chance for their views to be heard on each Board agenda item and, despite the issues that it may cause for Board dynamics (as discussed above in *Section III. Board Dynamics and Functioning*), the prior engagement within the constituency to formulate position statements ensures that all voices from within a constituency are heard. This was the overall highest scoring question among Board members (with a score of 1.34) and was in the ten highest scoring questions among CFPs and constituency representatives (with a score of 1.24).

EXHIBIT 26: MY CONSTITUENCY EFFECTIVELY CONTRIBUTES AND PARTICIPATES IN BOARD MEETINGS.



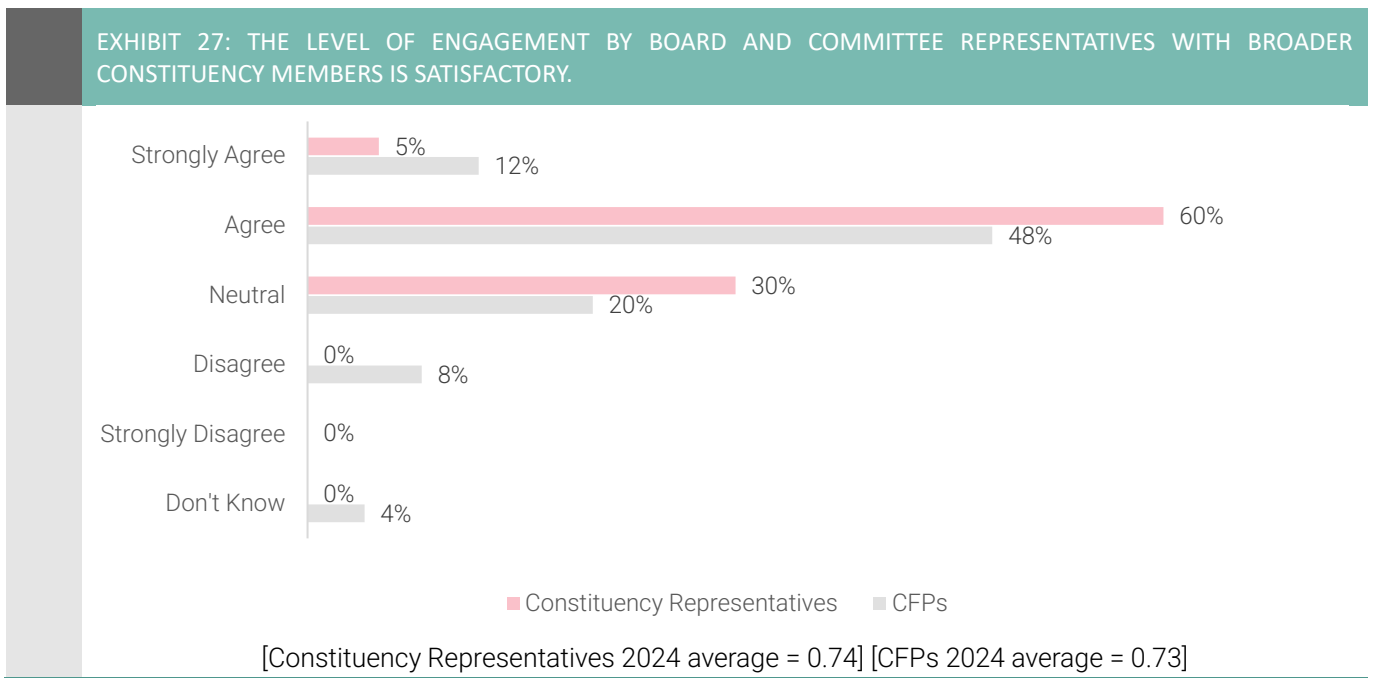
[Board 2024 average = 1.34] [CFPs and Constituency Representatives 2024 average = 1.24]

The practices and effectiveness with which the constituencies engage internally within their own constituencies vary.

144. A key aspect for multi-stakeholder constituencies is effective internal engagement and communication, where CFPs play an integral role. The Constituency Management Guidelines state that the CFP is “key to ensuring effective communication, collaboration, and consultation within the Constituency, between the Board Member and Alternate, and with the Global Fund Secretariat, to best prepare the constituency for governance deliberations and facilitate active participation in Board and

Committee activities".⁸⁴ Overall, the CFPs are perceived to be effective in their role, particularly with dealing with the large volume of documents involved. However, interviewees also noted that there is some inconsistency in the role of CFPs, hence it would be beneficial for constituencies' frameworks to set out their role and expectations in alignment with the Constituency Guidelines and the Board and Committee Operating Procedures.⁸⁵

145. Board and Committee members are also broadly felt to engage well with the members of their constituency. Training delivered by the Legal and Governance Department in 2023 to help Board and Committee members understand this engagement role was also praised by survey respondents in helping to improve the practice. The level of engagement varies by constituency, but broadly Board and Committee members are felt to feed back well to constituency members. This was one of the ten highest scoring questions among constituency representatives.



146. In terms of the communication lines within constituencies, one of the ten lowest scoring questions among constituency representatives was if there are open lines of communication and positive dynamics internally within their constituency.⁸⁶ A wide variety of practices were seen and there appears to be some appetite to improve both their quality and consistency. This is an area where it could be beneficial to share best practices between constituencies and could also benefit from the clarification on and greater consistency in the role of the CFP in a constituency.

"Engagements are limited to [the] pre-Board period, often under pressure for time."

"In my constituency there is very little communication and dynamics of any kind. We are working on it."

⁸⁴ Constituency Management Guidelines, February 2023, Section 4.2

⁸⁵ Board and Committee Operating Procedures, Annex 1, Table 2

⁸⁶ This received a score of 0.53 among constituency representatives.

"This could be improved though on terms of having more meaningful and regular engagement with higher level country and constituency leadership."

There is a need for more opportunities for exchange between Constituency Focal Points.

147. One of the lowest scoring survey questions among CFPs and constituency members was regarding whether there are sufficient opportunities for open dialogue and discussion between constituencies.⁸⁷ Interviewees expressed that the level of engagement between constituencies varied considerably. The Donor Group and Implementer Group forums, two informal groupings, were praised for helping inter-constituency engagement, but it was noted that then there is not consistent engagement between the constituencies in these two groups, although attempts are being made to improve this. In addition, several CFPs flagged that when being new to the CFP role, they found it harder to arrange these engagement opportunities and were unaware of how and when to do so. Further, it was also noted that the ability to undertake such additional engagement is restricted by factors such as the resourcing capacity of the constituency and their Board member as well as language differences (specifically, lack of translation resources at pre-Board meetings was cited as a barrier).
148. It could be beneficial to encourage opportunities and support initiatives for Constituency Focal Points to exchange, network, connect, ask for input, share good practices, and build a sense of shared commitment to the Global Fund.

"Advancing more support to broader constituencies may be necessary to realise effective engagement."

"The Implementer Groups serves as a mechanism for fostering open dialogues among constituencies and for forging common positions."

"[Engagement] tends to happen more within groups (ACB, donors, implementers) than between them."

"The meeting of CFPs alongside the Board Meeting was helpful. CFPs of certain constituencies also arrange other meetings as required. A chat function on the new portal may be helpful, especially for new CFPs."

"I felt generally a lack of interest by donors to engage with all implementer constituencies on one side and inadequate capacities or confidence to negotiate from the other side."

149. As previously noted, additional governance engagements entail considerable resourcing both in terms of time and opportunity cost. Consequently, should Board meetings be enhanced as a space for open exchange, this would supersede the need for such additional informal spaces.

The support offered by the Secretariat and Legal and Governance Department to constituencies is appreciated.

150. The CFPs and constituency representatives broadly agreed that the Secretariat and Legal and Governance Department help them to engage in the Global Fund governance, as illustrated by survey

⁸⁷ This received a score of 0.65 from CFPs and 0.44 from constituency representatives.

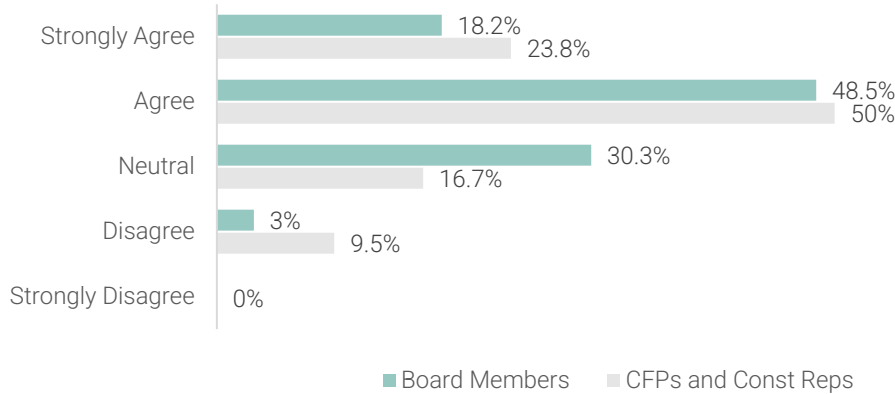
responses.⁸⁸ Board members also felt positively in this regard, with the question receiving a score of 0.82.

"The support from the Secretariat is excellent, without a doubt the preparation going into the board meetings is very good. Constituencies can write to the Global Fund and you'll get a response very quickly, even with the ED. The Governance Team deserve kudos. They have to prepare for meetings but also need to travel but they respond and support very well."

"The Governance team must be commended for its responsiveness and effective support to the constituencies."

"We get a lot of support from the Secretariat, very quickly and it is very good."

EXHIBIT 28: THE SECRETARIAT SUPPORTS IN MY CONSTITUENCY'S EFFECTIVE ENGAGEMENT IN THE GLOBAL FUND GOVERNANCE.

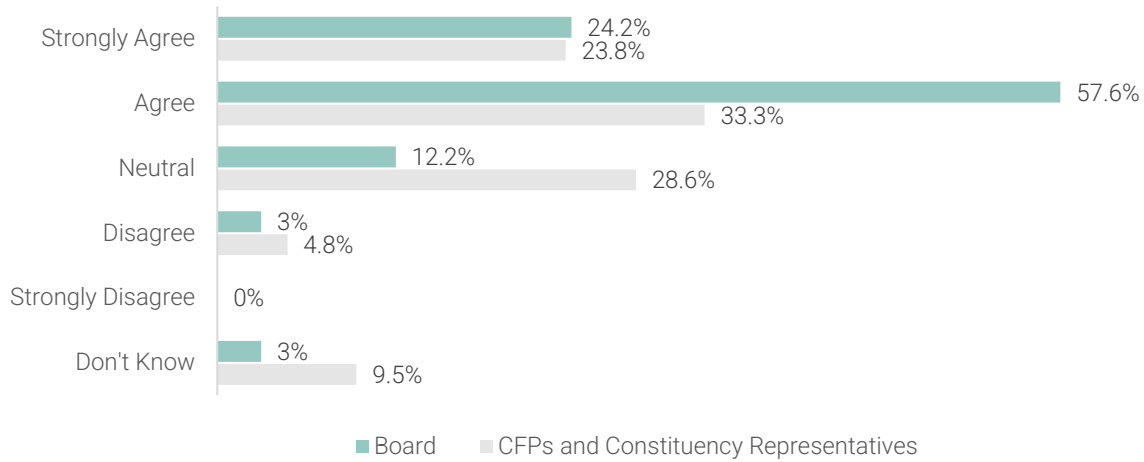


[Board 2024 average = 0.82] [CFPs and Constituency Representatives 2024 average = 0.86]

151. The onboarding/induction for constituency members was generally regarded as good, with a steep learning curve. It was received generally positively among survey responses and interviewees, with some flagging that the onboarding documents could be quite dense and that refresher sessions could be helpful given it is not always possible to attend all the initial onboarding sessions.

⁸⁸ "The Secretariat supports in my Constituency's effective engagement in the Global Fund governance" received an average score of 0.88 from CFP and constituency representatives respondents.

EXHIBIT 29: I AM SATISFIED WITH THE ADEQUACY OF THE INDUCTION AND ONBOARDING PROCESSES FOR CONSTITUENCY MEMBERS.



[Board 2024 average = 1.06] [CFPs and Constituency Representatives 2024 average = 0.77]

152. One area where the induction of constituency members and CFPs, as well as for Board members, could be improved is with respect to unpacking and explaining Board members’ mandate representing the views of their constituency while upholding their duty of care to the Global Fund’s best interest and the success of its mission – as well as how constituency members are to support their Board member in doing so.

RECOMMENDATIONS

153. Many CFPs did not feel that there are sufficient opportunities for open dialogue and discussion between constituencies. Several CFPs also felt that, when one becomes a CFP, it is difficult to arrange engagement opportunities with other Constituencies as they were unaware of how and when to do so. One of our recommendations therefore focuses on encouraging and supporting more initiatives and opportunities for the CFPs to connect with one another.

Rec. 12	Encourage opportunities and support initiatives for Constituency Focal Points to exchange, network, connect, ask for input, share good practices, and build a sense of shared commitment to the Global Fund.
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154. Characteristically, given the vast breadth of stakeholders at the Global Fund, there is significant variance in the internal practices of the Constituencies, as well as the quality of these practices. Although it is necessary for each constituency to have its own, distinctive internal practices that work best for them given their particular characteristics, there are also best practices undertaken by some Constituencies that other Constituencies could benefit from adapting to their context. Thus, three of our recommendations have focused on suggesting ways that could help Constituencies to adapt their internal practices to become more efficient, although we note that a “one size fits all” approach would not be effective.

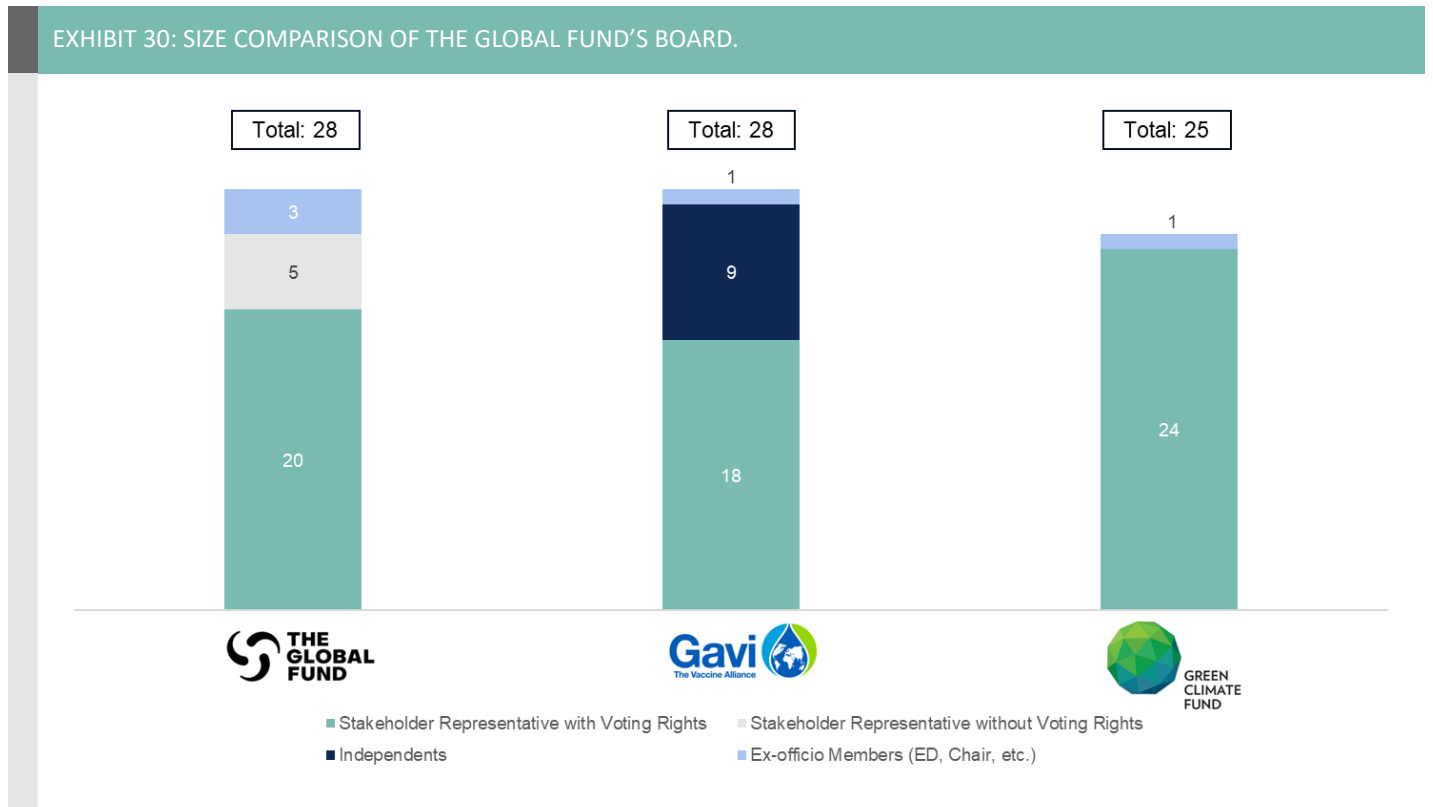
Rec. 13	Constituencies should develop adequate internal processes to regularly provide performance feedback to their Board member, Alternate Board member, and Constituency
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	<p>Focal Point against an agreed set of expectations. This process and performance lens may vary between constituencies.</p>
Rec. 14	<p>The Legal and Governance Department should provide guidance to all Constituency Focal Points on ways to support Board members to fulfil their duty of care to the Global Fund.</p> <p>Collect and develop good practice on how Constituency Focal Points can:</p> <ul style="list-style-type: none"> • Prepare for Board meetings by developing talking points for each agenda item; • Provide parameters (but not a script) for Board members to engage actively and challenge others when needed; • Focus pre-meeting discussions on both the views of constituency members and what the overall interests of the Global Fund might be. <p>The Legal and Governance Department could also facilitate an ongoing exchange with and between constituencies, potentially via the governance portal, on good practices for doing so.</p>
Rec. 15	<p>Constituencies should be encouraged to review, and update if necessary, their frameworks on a regular basis and share good internal practices that facilitate successful engagement with other constituencies.</p>

VI. BOARD PROFILE

The Board’s size is large but is appropriate given the Global Fund’s nature.

155. While the Global Fund’s Board, with a total of 28 voting and ex-officio members, is far larger than one would see in a typical corporate board,⁸⁹ its size does not appear to be too much of a hindrance, especially when one accounts for the benefits gained through the wide representation of stakeholders. It is also in-line with what one sees in other large organisations with stakeholder representative boards, as shown in Exhibit 30 below.



156. Though not all Global Fund stakeholders held favourable opinions on the size of the Board, it appears to be appropriate given its purpose and the needs of the Global Fund from its Board. The ability to represent such a broad diversity of stakeholders was highlighted by some interviewees as being integral to the Global Fund’s success, particularly in relation to the mobilisation of resources and funds.

157. In addition, although some suggested reducing the size of the Board, this was widely recognised as being politically challenging to do and the marginal gains that may flow from reducing the size by a few members could be heavily outweighed by the loss of key stakeholders’ voices.

⁸⁹ Effective corporate boards typically have between 7 – 9 members.

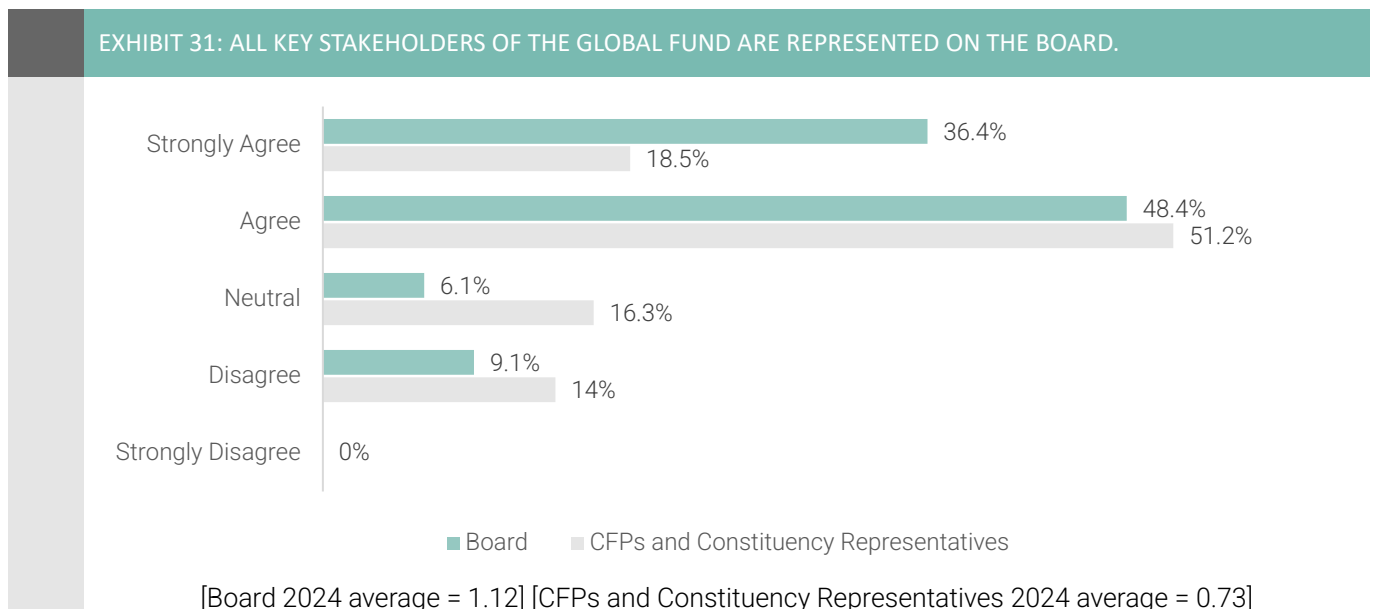
“A significantly larger board would not be helpful, and a smaller one would not allow for adequate representation of the multiple stakeholders. The current size may be a decent compromise on effectiveness and representation.”

“The Board is too large in typical good governance terms, but the size does enable inclusion of more voices, and generally works fine all the same.”

“The Board’s size is quite large in terms of best practice for effective discussion among members and with the Secretariat. However, it is hard to see how it could be modified without undermining key institutional objectives.”

The Board seats within the donor and implementer constituencies may not be currently distributed as beneficially as possible.

158. Survey responses gave a strong perception among Board and constituency members that all key stakeholders are represented on the Board.



159. However, there was some suggestion that constituency representation could be expanded to further reflect the breadth of the Global Fund’s stakeholders. In this sense, interviewees felt that the current composition of voting Board constituencies may no longer be reflective of the global health financing ecosystem in 2024, and consideration should be given to ensure it reflects the realities of the current context and future orientation. There were two examples of this that arose frequently in our discussions with interviewees: one in relation to donors and one in relation to implementers.

160. Regarding the donors’ side of the Board, this concern focused on members of the Additional Public Donors constituency, who contribute significant resources to the Global Fund but have no voting rights on the Board. There is also need for new funders to be incentivised to come forward in the upcoming replenishment. Accordingly, it is important to enhance the pathway for members of the Additional Public Donors constituency and new donors to join voting constituencies. We note that a mechanism for voluntary integration to accommodate new donors into existing voting constituencies

(via negotiation and mutual consent) has been endorsed by the Donor Group at the 39th Board Meeting⁹⁰ and recommend that this be implemented.

“Significant donors are lingering in the Additional Public Donor non-voting category, even if they surpass several of the donors who are in existing multi-country constituencies.”

“The constituency model has evolved with key donors ‘capturing’ seats. There is no rationale to determine the seat holders, hence the debate over including new donors, when the constituency model should in theory be able to accommodate them. The Global Fund has an arbitrary model of representation, falling between the shareholder model of international financial institutions and the member state model of multilateral organisations.”

161. On the implementers’ side of the Board, it was noted that the majority of the Global Fund’s work and investments flow into Africa, yet Africa has only two Board seats,⁹¹ with each of these constituencies including more than 20 countries. There was broad agreement among interviewees that Africa should have a stronger voice in Global Fund governance.
162. Recognising differences between donor and implementer constituencies has been important in delivering more equitable governance practices at the Global Fund, such as providing additional resourcing and support to implementer constituencies. However, global health initiatives increasingly emphasise the role of implementer governments as co-investors of domestic resources into their health services⁹² thus blurring the lines between ‘donor’ and ‘implementer.’ For example, Kenya, Nigeria, and South Africa are all currently included in implementer constituencies, yet at the Seventh Replenishment they pledged more in funding for the Global Fund than some countries included in donor constituencies.⁹³ Across the entire Seventh Replenishment, 22 implementer countries pledged funding to the Global Fund.

“I find the Board to be a bit old fashioned to have donors and implementers and voting to be based on donors and implementers. We should move way from this paradigm and become partners of equals. When I joined I found it a bit too rigid. I think the word ‘donor’ itself needs to evolve. It does not transmit a partnership approach.”

163. Reflecting on other multi-stakeholder organisations, the World Bank’s Board of Executive Directors includes several constituencies that are constituted of a mix of “developed” and “developing” countries.⁹⁴ In this regard, though the current constituency dichotomy has well-served the Global Fund since its inception, the division between the two does not assist the organisation in being an equitable partnership in the long term and should be an area of consideration for the Board moving forward.

⁹⁰ 39th Board Meeting, Donor Group Revised Process for Public Donor Seat Allocation, 09-10 May 2018 GF/B39/15

⁹¹ Africa technically has three constituencies, Western and Central Africa, Eastern and Southern Africa, and Eastern Mediterranean Region (which includes some Northern Africa members). However, interviewees consistently referred to Africa having only two seats, so we have understood this to refer to sub-Saharan Africa specifically when it was expressed that more seats for Africa are needed.

⁹² Future of Global Health Initiatives (2023) *Lusaka Agenda*.

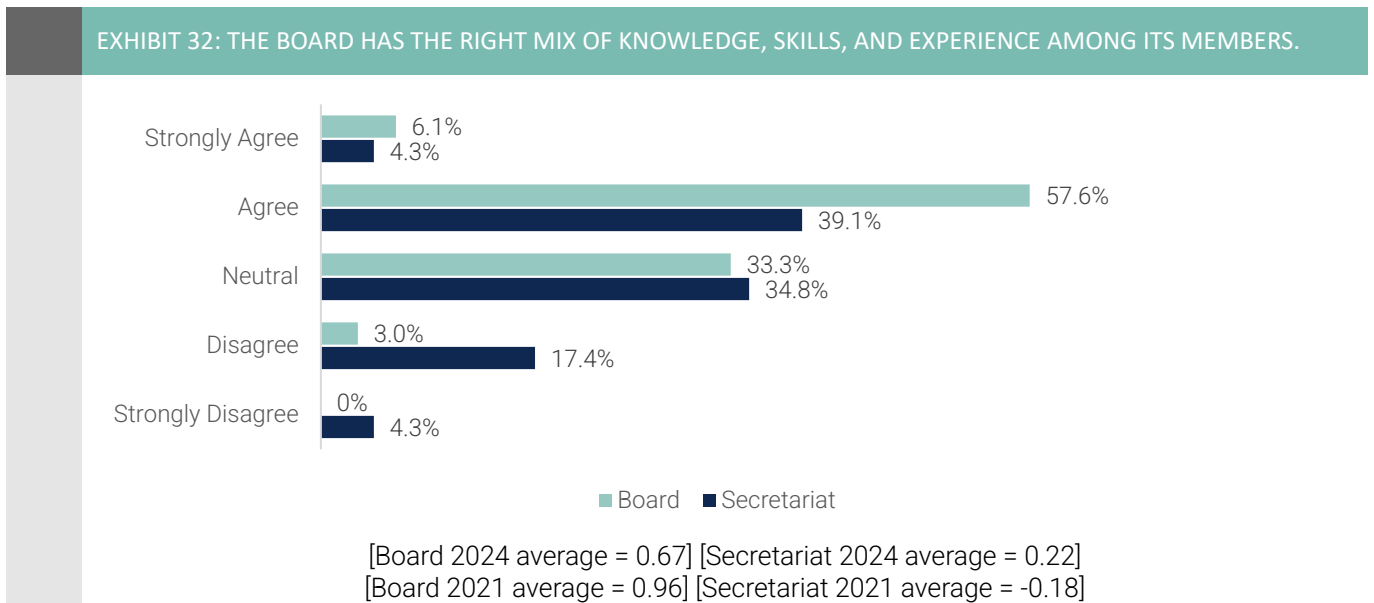
⁹³ The Global Fund (2022) Pledges at Global Fund Seventh Replenishment Conference

⁹⁴ International Bank for Reconstruction and Development, List of Executive Directors and Alternates, 6 February 2024

164. We acknowledge that a parallel process is underway that is seeking to review the Board’s composition in terms of the adequacy with which stakeholders are represented in greater depth.

The profile of Board members could be enhanced.

165. Whether the Board has the right mix of knowledge, skills, and experience among its members received a score of 0.67 from Board members and 0.22 from the Secretariat. It was also in the lowest ten scoring questions for Strategy Committee and AFC members, as well as CFPs.⁹⁵



166. Several interviewees we spoke with felt that the Board currently does not have enough individuals of the right calibre sitting as Board members. This tended to focus on the lack of sufficient seniority and gravitas (such as Directors-Generals or sitting Ministers of Health) and the lack of individuals with experience leading or guiding large organisations that can take the high-level strategic view required by the Board. This was felt to be contributing to the issues surrounding the lack of prioritisation of issues and over-emphasis on examining operational elements.

“[There are] many skilled and knowledgeable members, but this is somewhat inconsistent. Future attention is needed [on increasing the number of] Members who have sufficient seniority and influence in their region/country/group of organisations to be able to drive focus and engage in trade-off discussions.”

“It might better serve the organization to have Board members be higher ranking political officials who can undertake the necessary advocacy for the Global Fund in different contexts – much of the important work of the Board needs to happen outside of the Board meetings.”

167. On the other hand, it was noted that the intense demands of a Global Fund Board member, in terms of time commitment and the amount of documentation review involved, make it very difficult for such high-ranking individuals to be a Board member as they simply cannot dedicate the amount of time

⁹⁵ Strategy Committee member score: -1.00; AFC member score: 0.50; CFPs score: 0.58

that is currently required. This also relates to the resourcing imbalance issue across different constituencies, (as discussed above in *Section III. Board Dynamics and Functioning*).

168. A further concern regarding the profile of Board members was that there may be a lack of younger voices present at the Board. Quite a few survey respondents flagged this as the main key stakeholder group that is critically underrepresented on the Board.

"I would say the most marginalised and vulnerable are least represented – there are no young people on the Global Fund Board – and it's not enough to leave this up to the delegations. This should be explicit and intentional."

"The group of young people is not well represented. Due to demographic change they will play an increasing role in the fight against the three diseases."

"Groups like young people's network, third gender, FSW, TB Survivor are often not represented."

169. Finally, some also felt that there was a lack of technical expertise on the Board, including in relation to both the three diseases but also emerging issues such as climate change. However, we feel that this is not a necessity, and the technical / subject matter expertise (particularly for issues such as climate change) can be provided by independent experts who give their opinion to the Board and that it is more important to have Board members with other skills / profiles (such as government seniority / gravitas and strategic thinking).

"Financial and diplomatic experience takes precedence over thematic know-how. A balance should be found."

"Subject matter experts on specific topics could be invited to provide independent views / assessments."

"Future attention is needed to skills in newer areas of strategy, [such as] PPR and climate."

"When the Board members have zero health background, they can actually be detrimental."

The tenure length of Board members may be too short.

170. Section 3.2 of the Operating Procedures of the Board and Committees of the Global Fund (the "Operating Procedures") provides that *"Board Members serve as the representatives of their respective constituencies for a two-year term."* This is also provided for in the Constituency Management Guidelines 2023 at section 4.1.2. The Global Fund's By-laws at section 7.2 provide that Board members will serve on the Board for two years or such term that the Board may determine. However, there is significant variance in the length of Board members' terms as, in practice, the term length is decided by the constituency and changes do occur before the completion of Board member tenure due to the political nature of the Board's composition.

171. As a result, there are some Board members who have sat on the Board for many years, whereas other constituencies have seen high levels of turnover. This combination is not a drawback, as it is important for the Board to have a balance of both institutional knowledge (particularly given the complexity of the Global Fund) and fresh perspectives. Regardless, it would be beneficial for Board members to

serve on the Board for a longer term (such as three years) as it would help to build institutional memory among Board members, and the reduction in turnover rate may help to partially alleviate some of the burden on the Secretariat as new members are not joining as frequently.

“The Board should consider three-year tenure as it is for the committee leadership but ensure a period of mentorship and transition especially at delegation level.”

“Two years is too short for the Board member tenures especially for those newly appointed for the first time. I suggest to align the tenure of the Board members with that of Committee members (3 years).”

“Important for the Board to have the right mix between some level of rotation to ensure fresh views and new ideas and some experience and institutional knowledge. Also important to keep in mind that the learning curve for new Board Members is quite steep.”

“Two-year term in operating procedures, but variable application of that term given constituency ownership of how they rotate Board/Alternate Board members. Large multicountry constituencies do stick to two years. Many donors stay for much longer. This has an impact on information/experience inequity. Previously, there was no appetite for three-year Board member terms.”

172. This would also bring it in-line with the recommended term in the Operating Procedures for Committee members, as well as with the term length of Gavi and the Green Climate Fund.

EXHIBIT 33: BOARD TERM LENGTH.

			
2 years	3 years	3 years	2 years

Board members’ induction to the Global Fund when joining the Board has improved substantially.

173. One area where improvement appears to have been made from the previous GPA is in relation to the induction and on-boarding process. After the previous GPA, the EGC prepared a paper on an update to the onboarding framework,⁹⁶ with the framework being strengthened. These changes included viewing governance culture as both a focus and a lens, an enhanced focus on roles, responsibilities, and expectations, strengthening the understanding of the Global Fund’s specific context and governance processes, and new modalities such as e-modules. This year, whether new Board members receive an adequate induction to the Global Fund, its organisation, and activities, was the third highest scoring questions in the whole survey for Board members. It received a score of 1.25, which is more than double the 0.54 it achieved in the previous GPA.

⁹⁶ EGC, Update on the Onboarding Framework, GF/EGC18/07, 16-17 March 2022

“Inductions are excellent. The Legal & Governance Department, Secretariat, and Office of the Inspector General all do an excellent job.”

174. However, a few participants did flag that although on-boarding sessions were praised and held often, the complexity of the Global Fund does mean that the new joiners may still struggle at first to properly understand the organisation and their role in guiding it as a Board member.

“The induction courses were very welcomed. We have full time jobs so couldn’t attend all of them but needs to continue. Maybe video recordings would be good to give the opportunity to listen and understand the dynamics and complexities of the Global Fund.”

“Induction sessions provide the basic information on the Global Fund. However, understanding the complexity of the Global Fund is a real challenge for new members: complexity to reach the right strategic level required from a Board perspective which requires first to deep dive into multiple approaches, acronyms, frameworks, and to overcome difficulties in assessing background developments and positions.”

“Induction to the Global Fund is labour intensive. It could be improved by planning refreshers / more detailed sessions after a few months (as opposed to a one off, intense induction). Also, making the Global Fund papers / language more accessible would lower the bar for inductions. Constituencies also could improve the internal transmission of knowledge.”

RECOMMENDATIONS

175. Several concerns were expressed about the distribution of Board seats within the donor and implementer constituencies not being aligned to the evolving landscape. This primarily focused on whether members of the Additional Public Donors are sufficiently recognised for their contributions, if there are sufficient pathways for new donors to join a voting Board Constituency and how to create a stronger voice for Africa on the Board. Two of our recommendations centred on assisting the Board in considering if the Board’s profile is appropriate given the changing environment and the Global Fund’s strategic priorities.

Rec. 16	The Board should consider whether the overall composition of the Global Fund Board needs to be revised once agreement on strategic priorities has been reached.
Rec. 17	The Donor Group should implement the mechanism for voluntary integration to new donors into existing voting constituencies (via negotiation and mutual consent) that was endorsed by the Donor Group at the 39 th Board Meeting (2018).

176. Our final recommendation on Board Profile has focused on increasing term limits so that institutional memory can be retained and that the Board is not weakened by strong Board members having to leave after a short period of time.

Rec. 18	Increase the expected term length for Board and Alternates Board members to three years.
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VII. RELATIONSHIP BETWEEN THE BOARD AND SECRETARIAT

Characteristic of a large multi-stakeholder organisation, trust was often cited as an issue between the Global Fund’s Board and Secretariat.

177. A strong relationship based on trust and accountability between the Global Fund’s Board and Secretariat is essential to ensuring the effectiveness of each body – something of particular importance given the challenges of the global health landscape. As acknowledged by the Global Fund, “a fabric of trust, shared values, and ethical behavioural norms” embedded within a cohesive governance culture is key to effective deliberation and decision-making and has direct implications on the speed and scale of programmatic delivery.⁹⁷
178. Despite the importance of this foundational relationship, the establishment and maintenance of trust between boards and their respective secretariat is a consistent challenge for many multi-stakeholder organisations. At the Global Fund, the level of trust is increasing but still needs attention. For instance, longer serving individuals cited significant improvements in the relationship between the Board and Secretariat after previous low points between the two bodies, though they also recognised pervasive themes of distrust and detachment.
179. Organisational factors contribute to this detachment, such as the disparity between the length of service of Secretariat staff and Board members’ tenure,⁹⁸ which creates asymmetry in organisational knowledge and, by extension, contributes to lower degrees of insider understanding and trust.
180. The impact of the Covid response was identified by some interviewees as another contributing factor to distrust in the relationship. The lack of in-person communication, the high stakes, and the stressful environment all added to existing tensions, though it was also noted as being largely mitigated by the return of in-person meetings and transitioning away from the peak of the pandemic’s ‘crisis’ mode at the organisation.

“Some trust and communication issues came under pressure but improved with more coming together. Structural tension between the Secretariat focused on the Global Fund and its mission and some of Board members who are more focused on how the Global Fund can help them to deliver other objectives. It created frustration on both sides.”

“Covid was a confining factor and was a period of low trust but was somewhat resolved when we returned to in-person meetings.”

181. The previous GPA had identified distrust and the relationship between the Board and Secretariat as a high priority issue for improvement.⁹⁹ As a result, the EGC’s Governance Culture Initiative was created to identify priority areas to enhance governance culture and the subsequent Task Force focused on addressing underlying issues through enhancing trust.¹⁰⁰ Furthermore, in light of the previous GPA, culture has been integrated as an ongoing priority in the Governance Action Plan 2.0 and into the

⁹⁷ The Global Fund (2023) ‘Global Fund Ethics Office Annual Report and Opinion 2022’

⁹⁸ Whereby the turnover of Board members, Alternate Board members, and other constituency members contrasts sharply to relatively longer serving Secretariat staff.

⁹⁹ The Global Fund (2021) ‘Governance Performance Assessment – Towards a Governance Action Plan 2.0’

¹⁰⁰ The Global Fund (2020) ‘Governance Culture Initiative’

EGC’s workplan as a cross-cutting theme.¹⁰¹ However, despite the Board’s recognition and attention, some interviewees also noted a lack of implementation and consistent progress on trust and governance culture.

“[The EGC] needs to be more active and intentional and consequential with the Culture Initiative.”

“If you go back to previous assessments, culture and trust have been themes that have come up, including the idea that there is a distance between Board and Secretariat. One of the things we have been trying to nurture is how do you bring them closer together and get a sense of common purpose and each having a role towards that common purpose.”

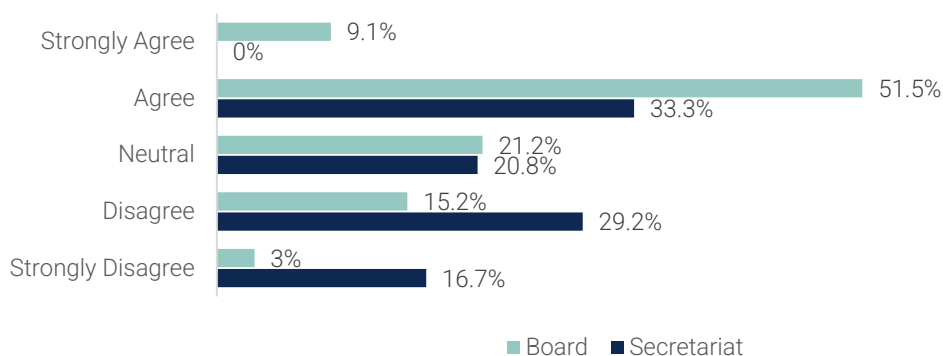
“The Board [has] ignored anything to do with culture [since the last GPA].”

182. Beyond these historic circumstances, our analysis of the current relationship between the Board and Secretariat demonstrated several interconnected tensions. This includes a perception from some Board members that the Secretariat is not always forthcoming when additional information is requested by the Board, although we understand that this may stem from the Secretariat wanting to prevent information overload or simply not having the information requested available.

“Interaction with the Secretariat has established an environment where trust is eroded. Sometimes Board members think the Secretariat doesn’t share everything or they feel the Secretariat is resistant to the changes Board members may want to instil.”

“Sometimes Board members get frustrated that the Secretariat doesn’t share their view on what should be done, they think we manage the information flow to them so become suspicious of how much information they receive, doubt its accuracy, and sometimes we don’t have the information they feel we ought to have.”

EXHIBIT 34: THERE IS A CLEAR UNDERSTANDING OF WHERE THE BOARD’S ROLE ENDS AND THE SECRETARIAT’S ROLE BEGINS.



¹⁰¹ Ibid.

[Board 2024 average = 0.48] [Secretariat 2024 average = -0.29]
[Board 2021 average = 0.42] [Secretariat 2021 average = -0.73]

183. Conversely, the Secretariat feels each Board constituency asks for granular, operational detail or questions that, in aggregate, take up significant bandwidth and leaves less time for implementation. Mounting requests from Board members for information therefore exacerbates perceptions of an overemphasis on operational aspects (see *Section II. Board’s Role and Responsibilities: A. Strategy Development*), as highlighted by Exhibit 34 – the second lowest scoring response across Secretariat survey results (albeit a significant improvement relative to the last GPA’s survey results) and ninth lowest among Board responses.

“The Secretariat feels the Board is micromanaging but the Board feels the Secretariat is not transparent.”

“The Board’s approach to governance does create significant costs and consumes a significant proportion of Secretariat capacity. There is insufficient recognition of the opportunity costs by some Board members.”

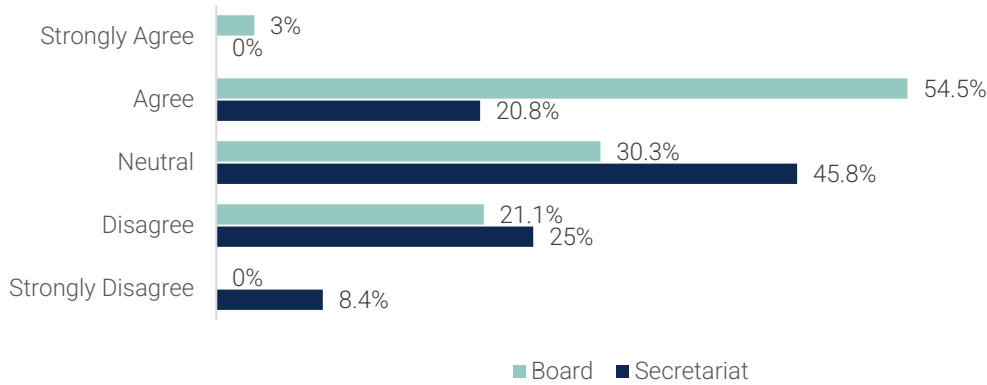
“On some topics, we [the Secretariat] are constantly trying to thread the needle between keeping it short and strategic but responding to all possible questions [from the Board].”

184. With the Board delving into more detailed and operational matters, as well as a lack of effective strategic discussion during Board meetings (as discussed above), it is no surprise that there is a sentiment that the Board does not provide the Secretariat with sufficient guidance, as illustrated by Exhibit 35¹⁰² – noteworthy for a deteriorating average score relative to the previous GPA. Consequently, the Secretariat is left with the unenviable task of either acting to accommodate all constituencies’ positions and interests in line with their meeting statements or making challenging trade-off decisions – something that should be decided via the Board’s own strategic deliberation.

¹⁰² There is a degree of convergence between the Board and the Secretariat on this matter: the survey response was the fourth lowest scoring across Secretariat responses (-0.21) and seventh lowest among Board responses (0.48).

“The Board asks us to prioritise 20 different things from 20 constituencies. No conversation among themselves; they expect the Secretariat to square the circle. It’s increasingly a risk given the external environment.”

EXHIBIT 35: THE BOARD REGULARLY PROVIDES CLEAR GUIDANCE TO THE SECRETARIAT.

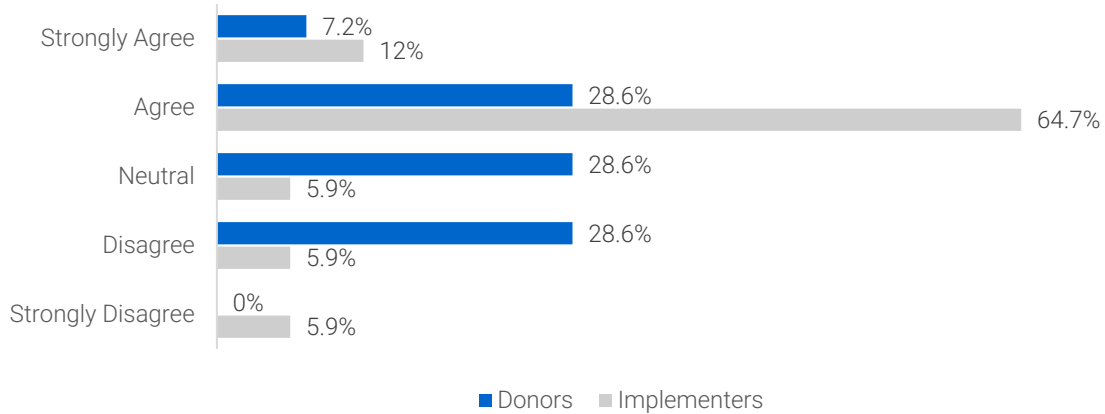


[Board 2024 average = 0.48] [Secretariat 2024 average = -0.21]
 [Board 2021 average = 0.76] [Secretariat 2021 average = 0.00]

- 185. Given this lack of strategic guidance and reporting burdens, the Secretariat feels the need to push back on requests, with the unintended consequence of a perception that the Secretariat is not forthcoming. The Board and Secretariat then end up holding negative perception about the other, culminating in a disconnect and ongoing tension between the two.
- 186. It is worth noting that survey responses illustrated a disparity between donor and implementer Board members regarding their perception of the Board’s relationship with the Secretariat. As highlighted by Exhibit 36, the average score for implementers’ perception on the delineation between the two bodies increased while donors remained relatively flat; on the guidance provided by the Board to the Secretariat donors’ perception fell significantly while implementers’ remained flat.

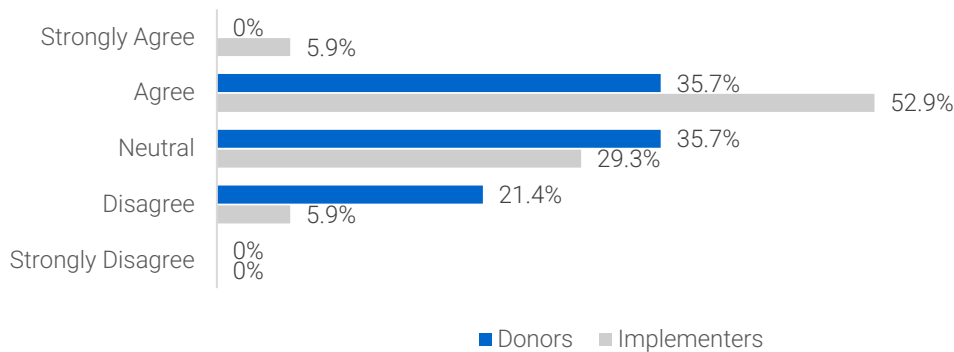
EXHIBIT 36: DONOR VS IMPLEMENTER PERCEPTIONS OF THE BOARD'S RELATIONSHIP WITH THE SECRETARIAT.

There is a clear understanding of where the Board's role ends and the Secretariat's role begins.



[Donor 2024 average = 0.15] [Implementer 2024 average = 0.75]
 [Donor 2021 average = 0.00] [Implementer 2021 average = 0.47]

The Board regularly provides clear guidance to the Secretariat.



[Donor 2024 average = 0.15] [Implementer 2024 average = 0.63]
 [Donor 2021 average = 1.00] [Implementer 2021 average = 0.67]

187. Nonetheless, given the significance of the next few years for the organisation, it is crucial to ensure the effectiveness of the Secretariat and the Board relationship to ensure effective execution and oversight of the Global Fund's activities.

"I'm not sure how the Secretariat views the Board but I don't think they view it as a helpful resource; rather as something they need to get through and to rubberstamp decisions. There needs to be a cultural reset between Secretariat and Board."

"I've heard from some in Secretariat that they are disoriented and feel pulled from both ways and no decision either way, so they just have to choose a way to go. [...] It's a big risk when Secretariat has that level of leeway, which contributes to mistrust, although this has started to be alleviated."

188. Given these misaligned expectations, the Board Leadership and the Coordinating Group have key roles in building trust and a sense of shared purpose among the Board and Secretariat staff. In general, the Board Leadership are felt to have a strong relationship with the Secretariat, with a relatively high

degree of trust. A minority opinion expressed though was the perception that the Board Leadership and Secretariat might be too close, with the effect that Board Leadership is not constructively challenging or pushing back on the Secretariat to the degree necessary. This issue will be explored in-depth as a separate assessment of the Board Leadership’s effectiveness later in 2024, where all aspects of the Board Leadership’s performance will be examined in more detail.

- 189. Board Leadership can help strengthen the relationship between the Board and Secretariat given the Coordinating Group’s role in focusing and driving decision points and synthesising meeting materials and agenda (see *Section III. Board Dynamics and Functioning*). For example, the retreat in July 2023, attended by members of the Coordinating Group, Management Executive Committee, and Inspector General, was intended to strengthen trust, accountability, collaboration, and a sense of collective responsibility between these leadership bodies. Simultaneously, where the Board’s guidance to the Secretariat is lacking, the Coordinating Group must help and clarify during and after meetings.
- 190. To complement these efforts, the Executive Director and Secretariat should hold regular¹⁰³ informal check-ins for the Board and Committees. This would afford the Secretariat a periodic space to informally express their main concerns, identify opportunities, and voice their requests of the Board. Through these check-ins, a deeper understanding of the value of strategic oversight and direction can be cultivated, as well as a shared agreement of the cost of micromanagement (i.e. in regard to time and attention taken away from implementation). In doing so, a trusting relationship between the Board and Secretariat can elevate both and break existing cycles of negative perceptions that limit the value each body can afford to the other.
- 191. As previously noted, the addition of engagements entails resource, time, and opportunity cost implications, including deterring high(er) calibre individuals due to the Board’s (increasing) workload (see *Board Profile*). Though informal check-ins could benefit the relationship, the Board and Secretariat would need to first review the resource implications of the engagement.

RECOMMENDATIONS

- 192. Trust was often cited as an issue between the Global Fund’s Board and Secretariat, with the issue stemming from a multitude of factors (including misaligned expectations, the perception from the Secretariat that sufficient guidance is not given to them by the Board on prioritisation and that the Board often asks for information that is too operational or granular, and the perception from the Board that the Secretariat may not always be forthcoming with additional information when requested). Our recommendations are aimed at addressing these issues and continuing the process of building trust between the two.

Rec. 19	<p>To clarify the roles of the Board and the Secretariat:</p> <ul style="list-style-type: none"> • Hold inductions with constituency members to ensure they are familiar with the work of the Global Fund in areas not directly affecting their constituency. • Hold an annual check-in between the Management Executive Committee and the Coordinating Group to address any tensions between the Secretariat and Board.
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¹⁰³ These could occur once between Board meetings.

Rec. 20	<p>The Executive Director and Management Executive Committee should hold regular informal check-ins for the Board and Committees. These could occur once between Board meetings, and could cover topics such as the top three worries of the Executive Director, the top three opportunities being presented to the Global Fund, and any emerging issue that the Board and committees should be aware of. The aim of these check-ins will be to cultivate a deeper understanding of the value of strategic oversight and direction and enable exchange before Board meetings.</p>
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VI. OVERVIEW OF RECOMMENDATIONS

193. We note that several of these recommendations include the addition of engagements, which entails resource, time, and opportunity cost implications. The Board and Secretariat will need to review and consider the resource implications of these engagements prior to implementation.
194. The recommendations have been prioritised, with the following colour-coding system used:

	High Priority
	Medium Priority
	Relatively Low Priority

A. Reinforce Board members' duty of care to the Global Fund and constituencies' responsibility to support, enable and empower Board members to fulfil this duty of care

Rec. 1	The Board should discuss, explore, and articulate what Board members' duty of care means conceptually and what it looks like in practice, when applied in parallel with the role of representing the views of their constituencies. Based on this discussion, the Board should delegate to the EGC the planning and oversight of activities to ensure an aligned understanding of Board members' and Committee members' duty of care to the Global Fund.
Rec. 2	Board Leadership, through attentive Board meeting facilitation, should encourage the practice of Board members not only speaking to their constituency's position but also reflecting on the Global Fund's interest, needs and realities more broadly, and impact globally.
Rec. 3	All constituency members should work to support, enable, and empower their Board and Committee members to fulfil their duty of care to the Global Fund. This responsibility should be clearly articulated in constituency documents and reflected in each constituency's ways of working (i.e. setting out parameters within which Board members can engage in unscripted debate, exchange and decision-making to advance the mission of the Global Fund).
Rec. 4	Inductions (and refreshers as needed) for Board and Committee members, Constituency Focal Points, and constituency members should reinforce Board members' duty of care to the Global Fund, whilst recognising their mandate of representing their constituency's views.

B. Enhance the effectiveness of Board meetings as a space for interactive discussion, strategic oversight, and clear direction setting.

<p>Rec. 5</p>	<p>The Board should discuss and decide if the practice of reading out constituency statements is the preferred working mode of the Board. If not, concrete ways of changing this should be agreed. These could include:</p> <ul style="list-style-type: none"> • Dedicate an opening session to the reading of prepared statements for the full agenda of the Board meeting (not in each session) and any reactions to that. After this session, Board members then cannot read out any statements. The new Board information portal should be leveraged to share and encourage the reviewing of prepared statements beforehand. • Board Leadership could prepare a summary of the discussion in this opening session, including areas of convergence, areas of disagreement, and trade-offs and tensions that are arising. This would be reflected back to help the Board focus on issues and questions that need to be resolved to move forward with clear direction. The sharing of this summary would then begin a deeper round of discussion. As the Board meeting progresses, Board leadership should connect back to substance and outcomes from the various sessions to demonstrate coherence across discussions. • Board Leadership should summarise each session, noting points of convergence and divergence coming from the discussion, and identifying areas of clarification and further discussion and exploration. <p>If the reading of statements is deemed the most appropriate form in the future, the potential frustrations stemming from this practice should be addressed, perhaps by reducing formal meeting time and increasing other forms of exchange.</p>
<p>Rec. 6</p>	<p>Continued efforts should be made to design, frame, and time Board meeting materials to enable engagement with strategic issues, the weighing of trade-offs, and delivering clearer decisions / directions for implementation. Meeting materials should clearly identify trade-offs, options, and risks.</p> <p>Efforts to reduce overall volume of material as per the existing guidelines should also be continued. All reference documents should be made available on the Board portal.</p>
<p>Rec. 7</p>	<p>Board Leadership and the Coordinating Group should put forward a proposal on how to reimagine Board meeting agendas to maximise time spent on strategic issues and minimise duplication between Committee and Board discussions.</p>
<p>Rec. 8</p>	<p>The Board should explore the use of different discussion formats, for example panel debates, for specific issues to stimulate the active exchange of ideas and invite challenging views to be aired respectfully. Depending on the issues discussed, Board Leadership may appoint a panel of different Board, Committee, or constituency members as panel members to lead the discussion.</p>

C. Optimise Committee operations and the Committee-Board interface for effective decision-making and reduced duplication.

<p>Rec. 9</p>	<p>The Coordinating Group should continue to ensure alignment of Committee and Board discussions and resolve any potential overlap on specific issues. Further, it should work to ensure aligned inclusion of Committees' perspectives on Board issues and the Committee Leadership should ensure that the Board discussions are pitched at a level different from that of the Committees.</p>
<p>Rec. 10</p>	<p>Efforts should be continued to ensure that the Board is well apprised of Committee discussions in order to effectively frame and focus Board discussion via Committee readouts and reports. Beyond the current practice of materials including summaries of Committee deliberation, Committee reports should indicate clearly what questions must be resolved or decisions need to be made by the Board.</p>
<p>Rec. 11</p>	<p>Committees should regularly map competencies of current Committee membership and identify important needs and gaps to be filled when off-cycle vacancies arise.</p> <p>Committee Leadership and the Ethics and Governance Committee should consistently follow the Operating Procedures during the nomination of committee members. Therefore, they should proactively assess nominations made by constituencies with needed competencies in mind and query constituency nominations that do not reflect relevant competencies and expertise.</p> <p>Additionally, where specific expertise is unlikely to be found in constituencies, the Ethics and Governance Committee should conduct a search for qualified independent candidates.</p>

D. Strengthen constituency engagement practices for effective constituency representation and effective Global Fund governance.

<p>Rec. 12</p>	<p>Encourage opportunities and support initiatives for Constituency Focal Points to exchange, network, connect, ask for input, share good practices, and build a sense of shared commitment to the Global Fund.</p>
<p>Rec. 13</p>	<p>Constituencies should develop adequate internal processes to regularly provide performance feedback to their Board member, Alternate Board member, and Constituency Focal Point against an agreed set of expectations. This process and performance lens may vary between constituencies.</p>
<p>Rec. 14</p>	<p>The Legal and Governance Department should provide guidance to all Constituency Focal Points on ways to support Board members to fulfil their duty of care to the Global Fund.</p> <p>Collect and develop good practice on how Constituency Focal Points can:</p>

	<ul style="list-style-type: none"> • Prepare for Board meetings by developing talking points for each agenda item; • Provide parameters (but not a script) for Board members to engage actively and challenge others when needed; • Focus pre-meeting discussions on both the views of constituency members and what the overall interests of the Global Fund might be. <p>The Legal and Governance Department could also facilitate an ongoing exchange with and between constituencies, potentially via the governance portal, on good practices for doing so.</p>
Rec. 15	Constituencies should be encouraged to review, and update if necessary, their frameworks on a regular basis and share good internal practices that facilitate successful engagement with other constituencies.
E. Align Board composition to the Global Fund’s current and future needs.	
Rec. 16	The Board should consider whether the overall composition of the Global Fund Board needs to be revised once agreement on strategic priorities has been reached.
Rec. 17	The Donor Group should implement the mechanism for voluntary integration to new donors into existing voting constituencies (via negotiation and mutual consent) that was endorsed by the Donor Group at the 39th Board Meeting (2018).
Rec. 18	Increase the expected term length for Board and Alternates Board members to three years.
F. Build trust between the Board and the Secretariat.	
Rec. 19	<p>To clarify the roles of the Board and the Secretariat:</p> <ul style="list-style-type: none"> • Hold inductions with constituency members to ensure they are familiar with the work of the Global Fund in areas not directly affecting their constituency. • Hold an annual check-in between the Management Executive Committee and the Coordinating Group to address any tensions between the Secretariat and Board.
Rec. 20	The Executive Director and Management Executive Committee should hold regular informal check-ins for the Board and Committees. These could occur once between Board meetings, and could cover topics such as the top three worries of the Executive Director, the top three opportunities being presented to the Global Fund, and any emerging issue that the Board and committees should be aware of. The aim of these check-ins will be to cultivate a deeper understanding of the value of strategic oversight and direction and enable exchange before Board meetings.

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