

APPROVAL OF THE TERMS OF REFERENCE OF THE BOARD CHAIR AND VICE CHAIR

PURPOSE:

This report summarizes the process by which the revised Terms of Reference for the Board Chair and Vice Chair were developed and proposes one decision point as follows:

B28/EDP/04: Terms of Reference of the Chair and Vice-Chair of Global Fund Board

The Board approves the revised Terms of Reference for the Chair and Vice-Chair of the Board of the Global Fund, as set forth in B28/ER/04 (the “Revised Terms of Reference”), which supersede the existing Terms of Reference for the Chair and Vice Chair of the Board, as last amended in December 2010 (GF/B22/DP6).

The Board shall utilize the Revised Terms of Reference in the nomination and election of the next Chair and Vice-Chair of the Board.

PART 1: INTRODUCTION

1. According to the By-Laws of the Global Fund to Fight AIDS, Tuberculosis and Malaria, elections for the Board Chair and Vice Chair occur at two year intervals. Although the Board Chair and Vice Chair do not represent the views of any one constituency or bloc, the positions alternate between individuals drawn from the donor voting bloc and the implementer voting bloc of the Board for each two-year term. Historically the donor and implementer blocs have each defined a process by which to identify candidates and nominate them, and from these candidates select the Chair or Vice Chair of the Board.
2. In preparation for the election of a new Chair and Vice Chair of the Board prior to the Twenty-Ninth Board Meeting in May 2013, the Terms of Reference for the roles were reviewed (“TORs”), and proposed revised TORs for the roles are set out in Annex 1 to this electronic report.
3. These revisions are in accordance with re-defined Board priorities following the adoption of Phase 1 of the Board’s governance reforms. Specifically the TORs were reviewed to:
 - a. More clearly define the role of the Board Chair and Vice Chair in relation identifying and operationalizing strategic priorities for the Board;
 - b. Detail the relationship between the Board Chair and Vice Chair and other governance entities of the Global Fund;
 - c. Delineate the actual time commitment and responsibilities for the roles in keeping with the changes adopted under governance reform.

PART 2: APPROVAL PROCESS

1. The revised TORs were presented to the Board for approval at it Twenty-Seventh Board Meeting in September 2013. During that meeting Board members asked for additional time to consider three key areas outlined in the TORs. These areas were:
 - a. Time associated with the Board Leadership roles
 - b. Possibility of Remuneration for the Chair or Vice Chair if circumstances make it essential
 - c. Relationship between the Chair or Vice Chair and the bloc from which they were nominated
2. Following the conclusion of the Twenty-Seventh Board Meeting, governance focal points were invited to participate in one of two calls held on 19 October. The three areas highlighted by Board members were discussed in detail. Feedback from the calls was used to further revise the TORs.

3. Revised TORs were then circulated again and constituencies were requested to provide any additional inputs prior to the Twenty-Eighth Board Meeting on 14 and 15 November 2012.
4. As no additional feedback was submitted by any constituency, the revised Terms of Reference are now presented for final approval.
5. The Board is requested to approve these TORs in accordance with the decision point set out below:

B28/EDP/04: Terms of Reference for the Chair and Vice-Chair of the Board

The Board approves the revised Terms of Reference for the Chair and Vice-Chair of the Board of the Global Fund, as set forth in B28/ER/04 (the “Revised Terms of Reference”), which supersede the existing Terms of Reference for the Chair and Vice Chair of the Board, as last amended in December 2010 (GF/B22/DP6).

The Board shall utilize the Revised Terms of Reference in the nomination and election of the next Chair and Vice-Chair of the Board.

TERMS OF REFERENCE

CHAIR AND VICE-CHAIR OF THE BOARD OF THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA¹

Introduction

The Global Fund's Board is the supreme governing body of the organization, and is represented at the most senior level by two key roles – the Board Chair and Board Vice-Chair (together the 'Board Leadership').

Working in the best interests of the Global Fund as a whole, the Board Chair and Vice-Chair have a number of important responsibilities. This includes supporting the Board's strategic focus on its six core functions²; being the public face and primary spokespersons of the Board; and being a source of leadership for the many stakeholders that make up the Global Fund – including implementers, donors, partners, staff, and elected representatives. Operationally, the Board Leadership also oversees effective performance management across the Board and its various governance and advisory bodies, and direct reports.

The Board Chair and Vice-Chair serve in their personal capacities as non-voting members of the Board. They bring to their respective roles broad perspective and accumulated wisdom and experience. As representatives of the Board as a whole, they collaborate with management to achieve the strategic vision of the organization, providing broad guidance and input into management's decision making to assist in implementation of that vision.

The Global Fund's Bylaws, Board and Committee Operating Procedures, Committee Charters and Coordinating Group Terms of Reference provide for the role of Board Chair and Vice-Chair, and set out certain elements of the two roles. These Terms of Reference specifically define the Board Chair and Vice-Chair's responsibilities in the context of those underlying governance documents.

I. RESPONSIBILITIES

In accordance with the Global Fund's core governance documents, the Board Chair and Vice-Chair have the following responsibilities:

¹ GF/B19/DP10, as amended at the Twenty-Second Board Meeting by GF/B22/DP6 and by decision of the Board by electronic vote on [**date to be inserted after vote**], B28/ER/04

² As described in Article 7.4 of the Global Fund Bylaws.

A. Strategic Leadership

1. Setting out a strategic approach for the Board Leadership term that assists the Board to perform effectively its core functions;
2. Developing Board priorities and meeting agendas in consultation with Committee Chairs and Vice-Chairs and the Secretariat that facilitate discussions to fulfill the identified strategic priorities;
3. Guiding the alignment of the work plans and agendas of the governing, advisory, coordinating and administrative bodies of the Global Fund;
4. Facilitating communication between the Board and the Executive Director, and with other direct reports; and
5. Overseeing all aspects of the Board's functions and deliberations in between meetings.

B. Governance Stewardship

1. Supporting and guiding the Board in the transparent selection, appointment, assessment and removal, if necessary, of the Executive Director, Inspector General or any other direct appointee;
2. Recommending to the Board the selection of the Chairs and Vice-Chairs of the Board's Committees;
3. Collaborating with Board constituencies as well as Committee Chairs and Vice-Chairs to identify, attract and recommend for Board approval qualified candidates for Committee Membership roles;
4. Supporting the Board's nomination and election processes for the selection of successors to the Board Chair and Vice-Chair positions; and
5. Exercising the respective casting votes of the Board Chair and Vice-Chair in the Strategy, Investment and Impact Committee and Finance and Operational Performance Committee Charters should the Committees be unable to reach a decision.

C. Overseeing Institutional Performance

1. Supporting and guiding the Board and its Committees in the routine performance assessment of the Global Fund's governing, advisory and administrative bodies;
2. Managing the annual performance assessment of the Executive Director, and providing support to the annual performance assessments of other direct reports to the Board³; and
3. Guiding the Board's multi-year strategic deliberations and decisions on how to achieve and assess impact of financial investments.

D. Coordinating Risk Management

1. Guiding and supporting the Board in its establishment, review and adjustment, if necessary, of the risk management strategy of the Global Fund, including risk classification, tolerance and mitigation; and

³ This includes, for example, the annual assessment of performance of the Inspector General by the Audit and Ethics Committee.

2. Leading the Coordinating Group's effective allocation of risk-oversight activities amongst the Committees of the Board.

E. Advocating for the Global Fund

1. Acting as principal spokespersons for the Global Fund Board to advocate, promote and raise funds for the Global Fund and its mission; and
2. Maintaining effective communication and engagement with stakeholders such as partners, donors, implementers and the media to ensure the Board understands and addresses the issues and concerns of its wide and diverse range of stakeholders.

F. Maintaining Procedural Order

1. Chairing and leading all Board meetings, retreats, executive sessions, teleconferences or communications to the Board through any other mediums;
2. Ensuring adequate time and procedures for informed discussion, consideration and voting on agenda items and decisions of the Board, including reaching clear decisions and overseeing a vote if consensus is not reached; and
3. In accordance with the Bylaws and Board and Committee Operating Procedures, acting on behalf of the Board between Board meetings to make immediate decisions where the Board Chair and Vice-Chair determine the nature and urgency of the decision cannot be accommodated by emergency Board meetings, teleconferences or electronic decision points, and reporting to the Board on any such decisions as soon as possible thereafter.

At the commencement of their leadership term, and as may be required routinely thereafter, the Board Chair and Vice-Chair will allocate their time between the various tasks and initiatives to ensure overall effective management and leadership.

II. COMPETENCIES

The Board and Committee Operating Procedures⁴ set out the following minimum competencies that they should collectively possess:

1. Experience chairing or leading decision-making bodies comprised of diverse stakeholders in either the public, civil society, or private sector;
2. Experience and skill in organizing and facilitating discussions, building consensus, and mediating disputes among diverse stakeholders;
3. Experience with strategic planning, implementation and problem-solving;
4. Knowledge of the Global Fund's purpose, governance structure and strategy;
5. Leadership experience in a governance or management capacity for entities from either the public, civil society, or private sector;
6. Experience and skill in reading financial statements, budgets and reports to analyze and assess the implications of such documents;
7. Experience conducting risk assessments and developing mitigation strategies in either the public, civil society, or private sector;
8. Expertise in some or all of the following areas: advocacy, public health, international finance, international development, diplomacy, negotiations and fundraising;
9. Able to demonstrate discretion and professional ethics with respect to private and confidential matters;

⁴ Reproduced from Table 4 in Annex 1 to the Global Fund's Board and Committee Operating Procedures.

10. Able to communicate clearly, concisely and persuasively and listen attentively and respectfully to other stakeholder views;
11. Able to act, think and speak independently with conviction and confidence; and
12. Fluent in written and spoken English (with additional languages beneficial).

III. SELECTION AND TERM

The Board selects its Chair and Vice-Chair in accordance with the Bylaws and Board and Committee Operating Procedures.

The Chair and Vice-Chair serve coinciding two year terms, or until the appointment of their respective successors. To ensure diversity and equity in the Board Leadership team, the positions alternate every two years between individuals who originate from and bring the experience of, respectively, the implementer and donor blocs.⁵ Once appointed, however, the Chair and Vice-Chair act only in the best interest of the Global Fund as a whole. Specifically, they must not represent any particular bloc, constituency, Board voting group or other stakeholder.

IV. TIME COMMITMENT

The Board Chair and Vice-Chair should be prepared and able to dedicate between one and two working days per week to Global Fund matters. This commitment may not be uniformly distributed throughout the calendar year. For example, Board, Committee and Coordinating Group meetings, as well as periods before and after such meetings, may require the Board Chair and Vice-Chair to commit full capacity to Global Fund matters for several consecutive days. The Board Chair and Vice-Chair should also be prepared and able to commit additional time in exceptional circumstances.

The Board Chair and Vice-Chair shall communicate regularly with Committee Chairs and Vice-Chairs, Board Members, the Secretariat, partners and other stakeholders between Board Meetings. Additionally, the Board Chair and Vice-Chair should be prepared and willing to travel as representatives of the Global Fund, in some cases to locations with security, economic and infrastructural challenges.

An honorarium may be provided to the Board Chair and Vice-Chair in accordance with the level of effort estimated for this role.

[xx] November 2012

⁵ As described in Article 7.6 of the Global Fund Bylaws.