Report to the Board

Selection of the Global Fund Executive Director: Contingency Voting Procedures

GF/B37/ER03
Board Decision

PURPOSE: This paper is submitted by the Board Chair and Vice-Chair. It describes proposed contingency voting procedures for the Executive Director selection. This paper proposes one decision point as follows: GF/B37/EDP04: Approval of Contingency Voting Procedures.

The Global Fund

I. Decision Point

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

Decision Point GF/B37/EDP04: Approval of Contingency Voting Procedures

1. ***The Board recalls:***
   a. ***its approval at the 36th Board Meeting of the voting procedure for the selection of the Executive Director, as set forth as part of the Summary of Voting Process in Annex 2 to GF/B36/07 (the "Summary of Voting Process"); and***
   b. ***the contingency procedures in the event of ties/deadlock, described in section 3 of the Summary of Voting Process, to be proposed for Board approval in advance of any voting.***

2. ***As contemplated in the Summary of Voting Process, the Board approves the following contingency procedures:***

   a. ***In the event of a tie during <u>weighted voting cycles</u>:***

      i. ***the more-preferred candidate will be allowed to proceed (i.e., the candidate with the higher number of first and second place points will move forward);***

      ii. ***if the tie persists after applying paragraph 2.a.i of this decision point, the Board shall repeat the voting cycle; and***

      iii. ***except in the cycle with the final two candidates, if the tie continues to persist, both candidates will be removed from consideration.***

   b. ***In the event of deadlock in the <u>final affirmative vote</u> (i.e., if the final candidate is not selected with an affirmative two-thirds majority vote of each of the donor and implementer groups), the voting thresholds for the selection of the final candidate will be gradually lowered as follows, so that the final candidate will be appointed to the position of Executive Director with the approval of a:***

      i. ***Qualified Two-Thirds Majority vote: Two-Thirds Majority of the full Board and Simple Majority (i.e., over one-half) in each of the donor and implementer groups;***

      ii. ***Simple Two-Thirds Majority vote: Two-Thirds Majority by the full Board, without regard to groups, if the final candidate is not selected through the Qualified Two-Thirds Majority vote described in (i) above; or***

      iii. ***Simple Majority vote: Over 50% of the vote by the full Board, without regard to groups, if the final candidate is not selected through the Simple Two-Thirds Majority vote described in (ii) above.***

II. Relevant Past Decisions

Relevant past Decision Point	Summary and Impact
GF/B36/DP07: Executive Director Selection Process (November 2016)[1]	The Board approved the voting procedure for the selection of the Executive Director. The decision point presented in this electronic report completes the procedural step envisioned in the voting process, described in Annex 2 of GF/B36/07, where the Board approves contingency procedures for use in the event of ties/deadlock.

III. Background

2. At the 36th Board Meeting, the Board approved the voting procedure for the selection of the Executive Director, which is set forth in the Summary of Voting Process (Annex 2 to GF/B36/07 which is also attached to this paper for information[2]).

3. **Straw Poll.** According to the voting procedure, before the start of formal voting, the presence of consensus will be tested through an informal process referred to as a 'straw poll'. This straw poll will occur through weighted voting where Board members will be asked to allocate points to candidates by order of preference. Unless a very clear consensus exists following the straw poll, voting will proceed through rounds of weighted voting.

4. **Weighed voting.** During the weighted voting rounds, Board members rank candidates by points in the same manner as the straw poll. With each cycle, the candidate with the least number of points will be removed from consideration. Ultimately, the weighted voting cycles will result in a single "most-preferred" candidate.

5. **Final affirmative vote.** Following identification of the most-preferred candidate, the Board will formally vote (i.e. yes/no) on that candidate. In order for the vote to pass, pursuant to the Bylaws, there must be an affirmative two-thirds majority vote of each of the donor and implementer groups.

6. While affirmative voting reduces the possibility of ties or deadlock throughout the voting process, there remains a risk that, for example, two candidates could be tied for the lowest number of votes during a round of weighted voting. Additionally, it is possible that the Board could fail to reach an affirmative two-thirds majority vote from each of the donor and implementer groups with respect to the vote on the most-preferred candidate. In order to further mitigate the risk of ties or deadlock, the Summary of Voting Process indicates that contingency procedures, which will be used in the event of ties/deadlock, will be approved by the Board in advance of voting on the candidates.

7. Advance approval of the contingency procedures ensures the procedures are reviewed and approved on their merits alone and that a procedural decision is not influenced by the substance of deliberations during the voting process.

8. The two contingency procedures proposed for Board approval are:

[1] https://www.theglobalfund.org/board-decisions/b36-dp07/

[2] As the indicative voting ballot included in Annex 2 to GF/B36/07 assumes four candidates, it will be adjusted in the event there are five candidates.

a. In the event of a tie during the weighted voting cycles:
    i. the more-preferred candidate will be allowed to proceed (i.e., the candidate with the higher number of first and second place points will move forward);
    ii. if the tie persists, the Board shall repeat the voting cycle; and
    iii. except in the cycle with the final two candidates, if the tie continues to persist, both candidates will be removed from consideration.

b. In the event of deadlock in the final affirmative vote (i.e., if the final candidate is not selected with an affirmative two-thirds majority vote of each of the donor and implementer groups, the voting thresholds for the selection of the final candidate will be gradually lowered as follows, so that the final candidate will be appointed to the position of Executive Director with the approval of a:

    i. Qualified Two-Thirds Majority vote: Two-Thirds Majority of the full Board and Simple Majority (i.e., over one-half) in each of the donor and implementer groups;
    ii. Simple Two-Thirds Majority vote: Two-Thirds Majority by the full Board, without regard to groups, if the final candidate is not selected through the Qualified Two-Thirds Majority vote described in (i) above; or
    iii. Simple Majority vote: Over 50% of the vote by the full Board, without regard to groups, if the final candidate is not selected through the Simple Two-Thirds Majority vote described in (ii) above.

IV. Recommendation

9. For the reasons outlined above, the Board Leadership invites the Board to approve the decision point set out in Part I of this document approving the Contingency Voting Procedures for the selection of the Executive Director.

EXECUTIVE DIRECTOR SELECTION

Summary of Voting Process

1. Background

1.1 This paper summarizes the Board-endorsed voting process for selection of the next Executive Director (ED). It largely reproduces the Summary of Voting Procedure endorsed by the Board at its twenty-eight meeting on 14 - 15 November 2012 in Board decision GF/B28/13.

2. The Voting Procedure

Generally

2.1. Throughout the process, all votes will be done anonymously. All ballots will be collected and counted by the Global Fund's Legal and Compliance Department, and subsequently held under confidential file. Consequently, each Board member may be assured that his/her vote will not be revealed to anyone. All Board members will be required to sign a confidentiality undertaking on the first day of the Board Meeting, which will govern all executive sessions. In order to further safeguard confidentiality, use of any communications technology (e.g., mobile phones, computers, iPads) will not be allowed during executive session.

2.2. Unless a very clear consensus exists following an initial 'straw poll' described below, voting will proceed through three rounds of weighted voting, ultimately producing the most preferred candidate. The Board will then formally vote on that candidate.

Straw Poll

2.3. Before the start of the formal voting process, the presence of consensus will be 'tested' through an informal process referred to as a 'straw poll'. The results of the straw poll will be purely for information and non-binding. The straw poll will occur by weighted voting, which asks Board members to allocate points to candidates by order of preference, as follows:

- First preference: 5 points
- Second preference: 3 points
- Third preference: 1 point
- Fourth preference: 0 points

2.4. Board members are encouraged to rank all candidates by order of preference. However, Board members are not required to allocate points to all candidates, and can instead provide points to a subset. For example, a Board member could rank only one candidate in the straw poll, instead of all four. In this example, the Board member's ballot would provide five points to the selected candidate, and the remaining points (3 and 1) would be unused.

2.5. The points given to each candidate will be added together, and the final tally will be announced by the Board Leadership. The voting ballot for the straw poll will follow the same form as the one enclosed below.

Weighted Voting Cycles

2.6. Unless a very clear consensus for a single candidate exists after the straw poll, the 'most preferred' candidate will be identified through multiple weighted voting cycles.

2.7. Board members will be asked to rank candidates by points in the same manner as the straw poll as described above (using substantially the same voting ballot).

2.8. With each cycle, the candidate with the least number of total votes will be removed from consideration. Ultimately, the weighted voting cycles will result in a single 'most-preferred' candidate.

Final Affirmative Vote

2.9. Following identification of the most-preferred candidate, he/she receives an up-or-down vote by the Board (i.e., Yes/No). Consistent with the Bylaws, in order for the vote to pass, there must be an affirmative two-thirds majority vote of each of the donor and implementer blocs.[3] With such affirmative vote, the candidate will be selected as the next Executive Director of the Global Fund.

3. Contingency Procedures in the Event of Ties/Deadlock

3.1. While the affirmative voting process reduces the possibility of ties between Board votes or deadlock, the risk nevertheless exists. Two candidates could be tied for the lowest number of votes. In addition, during the final vote, the Board could fail to reach a two-thirds affirmative vote from both blocs. In order to steer the Board through such situations, the Board Leadership will be regularly advised by the Legal and Compliance Department of general voting patterns and trends. Such patterns and trends will not be constituency or bloc specific as all votes remain anonymous.

3.2. Contingency procedures will be approved by the Board in advance of any voting. Advance approval ensures the procedures are reviewed and approved on their merits alone. This is by contrast to an approach that addresses ties/deadlocks as they arise, which has the potential of allowing purely procedural decisions to be influenced by the substance of the Board's deliberations. Set out below are the two contingency procedures proposed for Board approval by the Board Leadership.

3.3. Contingency Procedure #1. In the event of a tie during the weighted voting cycles, the tie will be resolved through the following process: (i) allowing the more-preferred candidate to proceed (i.e. pass forward the candidate with the higher number of 1st and 2nd place points); (ii) if the tie persists, repeating the voting cycle; and (iii) if the tie contines to persist, removing both candidates from consideration.

3.4. Contingency Procedure #2. In view of the risk of deadlock in the final affirmative vote, the Board will be asked to approve the gradual lowering of the voting threshold until the final candidate is approved, as follows:

- Qualified Two-Thirds Majority vote: Two-Thirds Majority by the full Board and Simple Majority in each of the donor and implementer blocs.
- Simple Two-Thirds Majority vote: Two-Thirds Majority by the full Board, without regard to blocs.
- Simple Majority vote: Over 50% of the vote by the full Board, without regard to blocs.

[3] As described in the Operating Provedures of the Board and Committees of the Global Fund to Fight AIDS, Tuberculosis and Malaria ("BCOP"), the donor bloc (or Donor Voting Group) refers to the group encompassing the eight donor country representatives, one private sector representative and one private foundation representative; the implementing bloc (or Implementer Voting Group) refers to the group encompassing the seven developing country representatives, the two nongovernmental organization representatives, and the representative of a nongovernmental organization who is a person living with HIV/AIDS or from a community living with tuberculosis or malaria.

Indicative Voting Ballot

VOTING BALLOT

2016 EXECUTIVE DIRECTOR SELECTION PROCESS

Points	Candidate Name
5	
3	
1	
0	