# Suggestions for FTI Board Composition

## 29 April, 2010

### 1. Background

As decided by the Board of Directors during the February 2010 meeting in Paris, a working group[1] was tasked to look into the possible reconstitution of the FTI Board of Directors to better represent different stakeholders in the FTI Partnership.

The task of the working group was to look at how the composition of the Board could be reconstituted so as to better respond to the governance reforms of the FTI. The task included looking at how the Board could be made more equitable and how the Board could better represent the different stakeholders of the EFA FTI Partnership by introducing a constituency-based approach. In its deliberation, the working group tried to take into account the need for the Board to be effective, while at the same time sustaining a high quality of decision-making, and for the FTI to become more appealing to new and old donors.

The working group was informed by a number of discussions and interviews with different FTI stakeholders as well as actors working with other global (mainly health) initiatives. A consultancy report on "Strength and Weaknesses in the Governance of Selected Global Health Initiatives" was also produced (Annex 3).

A lesson from the global health funds is that there are no blueprints for governance structures in global initiatives. Different roles and functions of an initiative require different governance arrangements and these are also likely to change over time as the initiative evolves.

GAVI and the Global Fund for Aids, TB, and Malaria have fairly complex governance structures with several committees[2] that prepare the bases for decisions by their Boards.[3] The Boards of GAVI and the Global Fund are responsible for approving project/program grants to countries. In

[1] The members of the working group are: David Wiking (WG Chair, Sweden), David Barth (USA), Lucia Fry (Global Campaign for Education), Sharon Haba (Rwanda), Michelle Mesen (FTI Secretariat), Phil Rose (United Kingdom), and Alex Wong (World Economic Forum).

[2] Committees include: executive committee, program & policy committee, governance committee, investment committee, audit & finance committee, evaluation committee, ethics committee, etc.

[3] Both organizations are also responsible for a substantially larger amount of funds than the FTI.

both organizations, there is a technical review panel (Global Fund) or an independent review committee (GAVI) that assesses the applications and makes recommendations to the Board. These committees also fulfill an important function in that they de-politicize the decisions presented to the Board. Although there may be a need for this in FTI as well, it may not be as important as in the global health funds.

In both GAVI and the Global Fund, donor countries as well as partner countries form constituencies. The donor country constituencies in the Global Fund are arranged based on contributions to the Fund. One seat at the Board requires a certain amount of money, and donors decide among themselves how to form constituencies. Board members from partner countries represent a group of countries. In both GAVI and the Global Fund, it seems that the experiences regarding donor countries forming constituencies among themselves have been positive and that donors have been comfortable with their representation on the Board. However, agreeing constituencies among partner countries appears to have been more cumbersome and/or difficult, since they represent larger groups and have faced communication constraints.

## 2. Principles and Assumptions

This report takes as its starting point that the Board will have at least four major tasks (only those tasks relevant to this report are mentioned here):

1. Discussing and making decisions on principles, policies, and strategies governing the FTI partnership, which include a certain amount of "norm setting" that goes beyond FTI trust fund(s) and are considered relevant to the full Partnership.
2. Making decisions on FTI Trust Fund utilization (normally in accordance with recommendations from a committee).
3. Advocating for the goals of the Partnership and mobilizing resources for supporting endorsed education sector plans (i.e., not just trust funds).
4. Giving direction to the FTI Secretariat and commissioning and providing oversight to working groups and committees.

As stated in the *Governance of the Partnership*, the Board meets at least twice a year.

In developing its ToRs (Annex 2), the working group considered the results of the November 2009 Mid-term Evaluation of FTI. The evaluation recommended giving partner countries greater access to decision-making, increasing accountability, improving coordination at the country level, and strengthening global leadership/advocacy. However, the working group also took into account that the FTI Board has recently gone through a comprehensive governance review.

While we believe that reforming the governance structure is an essential and rather urgent part of the reform process, we also believe changes need to be introduced gradually.

The three models presented in this draft are designed to allow for equal representation from countries providing, as well as receiving, funds. The models also assume that the donors and partner countries are divided into constituencies. Below are three different suggestions on how to structure the Board. Different combinations of the models are possible. The three suggestions may have different consequences with regard to other functions of the Partnership, such as the Partnership Meeting, different committees, etc. Some of these are mentioned below, although they are not discussed in great detail.

**2.1 Constituencies.** Members of the Board should represent stakeholder groups. There are 5-6 stakeholders groups consisting of: partner countries, donors, civil society, multilateral or UN-agencies, private sector and/or foundations. In addition, there may be 1-2 permanent seats (e.g., the World Bank). Within certain parameters, each of these groups will decide how they want to divide their seats into (smaller) constituencies (see models below). Annex 1 gives a few suggestions as to how these may look.

A Board member representing a constituency is expected to consult with his/her constituency colleagues ahead of Board meetings. A member of the Board and his/her alternate should serve for at least 2 years.

**2.2 Un-affiliated members**. Un-affiliated members could be a way of attracting specific expertise to the Board and/or raising the visibility of FTI (e.g., former politicians, well known CEOs, etc.). The working group discussed this option but concluded that for the time being, there are other, more effective ways of reaching those results than by opening the Board to un-affiliated members. However, this may become a more attractive option as/if the Partnership grows.

**2.3 Committees**. The models presented below assume that financial decisions reaching the Board are not only well prepared, but also that they have been thoroughly discussed so that the Board will not have to devote time for discussions (except for certain very important decisions). Therefore, it will be necessary to have some form of technical/financial committee that prepares financial decisions.

Some of the models would also benefit from an ethics committee/a “first among equals” to deal with potential conflicts of interest or other sensitive issues that may arise. Forming committees and ad hoc working groups is a way of ensuring continued participation and input from stakeholders that are not currently serving on the Board of Directors.

**2.4 Level of participation and capacity to participate.** The models below might require representation at different levels. For instance, in the third model, countries might want to be represented by Ministers or the equivalent. In other models, countries might find it more appropriate to appoint representatives at the Director level. Within the working group there are different opinions on the pros and cons of having Ministers or Directors representing partner countries on the Board.

The working group feels strongly, however, that partner countries serving on the Board should be supported (if they so wish) with capacity (technical assistance) to ease the burden of sitting on the Board. This support includes assisting partner country Board members with the arrangement of consultations with other countries ahead of the meetings, etc. Such support could be administered and funded by the Lead donor or the FTI Secretariat, for example.

## 3. Three Models

**Model 1**

This model presents a fairly small Board. It would have to be accompanied by several committees preparing decisions, including a technical/financial committee and probably also a policy committee of some sort. It would also need committees making use of the voice and experience of other members of the Partnership, such as the private sector, providers of education in partner countries, foundations, etc.

| **Model 1** | |
|---|---|
| **Donors** | 4 |
| **Partners from low income countries** | 4 |
| **CSO** | 1 (GCE to appoint rep) |
| **Multilaterals** | 2 (WB + UNESCO/UNICEF sharing a seat) |
| **TOTAL** | **11** |

***Comments from the working group:*** *The greatest advantages with this model are that its size would make decision-making easy and it would be comparatively easy for the Board to adapt to a changing environment. A smaller Board would also keep travel-related costs and carbon emissions down. A small Board, however, might result in a sense of reduced ownership and/or a lack of possibility to influence decision-making. In addition, it would lead to larger constituencies which then cause delays with lengthy consultation processes. It might make fund-raising more difficult and there is also a risk that a reduced inflow of new ideas would have a negative impact on the Board*.

## Model 2

This model differs from the present Board in that it would have: 1) more partner countries, 2) division into constituencies, and 3) at least a technical/finance committee that would prepare and recommend decisions to the Board. The number of partner country votes would be equal to those of bilateral donors. Options include: 1) adding two partner country seats to the current structure, or 2) maintaining four partner country seats, while giving partner countries the same amount of votes as bilateral donors (i.e., each partner country vote could count as 1.5). As the Partnership grows, the number of partner countries would be equal to the number of donors.

| **Model 2** | |
|---|---|
| **Donors** | 6 |
| **Partners from low income countries** | (4 -> ) 6 |
| **CSO** | 3 (e.g., GCE, Southern-based service provider, possibly regional CSO such as ADEA) |
| **Multilaterals** | 3 (WB, UNESCO/UNICEF sharing a seat, EC) |
| **Private sector** | 1 |
| **TOTAL** | **17-19** |

***Comments from the working group:*** *This model would make the Board more equitable and inclusive, as more members of the Partnership would, directly or indirectly, have a voice on the Board. Fewer partner countries than donors would not be a desirable situation long-term, but as a temporary "solution" it might allow time for the constituency system to start working among partner countries. Even though the Board is not likely to vote often, an option could be to have equal numbers of votes between partner and donor countries. See Annex 1.*

*With this Board size, decision-making might become slow, especially since financial decisions would be the responsibility of the Board. There would also be travel-related cost implications with a Board of this size. Both these concerns, however, could be mitigated if the Board agreed to use video/teleconferencing more frequently, and if there were committees supporting the Board.*

*The working group feels comfortable with this or a fairly similar model.*

## Model 3

This model consists of a Board of Directors and an Executive Committee. The Board's major tasks are to discuss and make strategic policy decisions and to mobilize resources. As an organ of the Board, the Executive Committee would be tasked with making financial decisions and preparing decisions for the Board of Directors. However, there would still be a need for a technical/financial committee to prepare the financial decisions for the Executive Committee.

The Executive Committee would have to meet more frequently than the Board. The Chair of the Board of Directors would also Chair the Executive Committee.

| **Model 3, Board of Directors** | |
|---|---|
| **Donors** | 6 |
| **Partners from low income countries** | 6 |
| **CSO** | 4 (2 GCE + 2 Education International, ADEA?) |
| **Multilaterals** | 4 (WB, UNESCO, UNICEF, EC) |
| **Unaffiliated** | 5 (e.g., research, CEO, media, ex-politicians, well-known advocates) |
| **Private sector** | 1 |
| **Foundation** | 1 |
| **TOTAL** | **27** |

| **Model 3, Executive Committee** | |
|---|---|
| **Donors** | 3 |
| **Partners from low income countries** | 3 |
| **CSO** | 1 |
| **Multilaterals** | 2 |
| **TOTAL** | **9** |

***Comments by the working group:*** *A larger board would give more stakeholders a seat, which might increase a sense of ownership, at least among those on the Board. With this model, it might prove easier to attract/sustain additional contributions from smaller donors who might feel they did not have an influence through the constituency system. Even though a small Executive Committee would be able to meet frequently via videoconferences or the like, this model would likely be more costly than the other models and would also increase the carbon footprint of the Partnership. Another risk with this model is that the Board might feel that most important decisions were being made by the Executive Committee, rather than the Board. Note, however, that this model could work without the Executive Committee as well. That would eliminate the risk of the Board feeling that decisions are made elsewhere, but it would also slow down the work of the Board considerably.*

*The working group feels that this model comes with several disadvantages.*

## 4. Decisions for the Board

The Board of Directors is requested to:

1. Agree in principle that partner countries should be given more influence in the FTI and that partner countries and donor countries should have an equal number of seats and/or votes on the Board.
2. Approve in principle one of the three models (or a combination) presented in this document. The working group invites the Board to reject model 1 and possibly 3 based on the risks mentioned above.
3. Approve the introduction of a constituency-based Board system.
4. Approve that donor seats on the Board should be linked to financial contributions, and that the group of donors would be asked to decide on a formula regulating this.
5. Delegate the responsibility to each stakeholder group to form constituencies among itself for the seats allocated to its respective stakeholder group (i.e., partner countries, donors, CSOs and possibly UN and the private sector[4]) ahead of the next meeting of the Board of Directors.
6. Decide on a new structure of the Board of Directors by the end of 2010, coming into force either late 2010 or mid 2011.
7. Consider ways of supplementing the new Board structure with committees, as agreed in principle at the February 2010 Board, by developing and agreeing as soon as possible a finance and technical committee to advise the Board on financial decisions to replace the current CF and EPDF Committees. The Board should also consider the role committees may fulfill by assisting the FTI in mobilizing resources (e.g., by gaining support from former politicians, CEO's etc). The Board may also consider encouraging non-Board members to fill seats of the committees in order to gain valuable input and to spread the participation among a wider group of stake holders.
8. Approve that partner countries serving on the Board of Directors are assisted with capacity to enable their effective participation on the Board.

[4] The governance document should define what constitutes a "donor," "partner country," etc.

**Annex 1. Constituencies**

Below are some principles and some options regarding the different groups of stakeholders.[5] The main groups represented in the Board are partner countries, donors, civil society, multilateral organizations, and the private sector. The general principle regarding these groups is that every group decides how its seats on the Board are divided, with a few exceptions as presented above (in the models we have always given the World Bank a seat on the Board).

A different way of creating constituencies is to mix stakeholders so that a certain constituency consists of a few donors, a few partner countries, some civil society organizations, etc., as long as the members feel comfortable sharing a seat. Although there are benefits to such a model, the working group feels that it is too drastic a reform, with a number of uncertainties and risks attached to it.

FTI is a Partnership and it is unnecessary to put groups of stakeholders against one another when/if disagreements arise within rather than across groups. Therefore, members of the Board are encouraged to act in a spirit of partnership and represent one another when possible. For example, a donor could ask a partner country to represent its views in working groups or committees.

Although it would be up to the different stakeholder groups to make decisions on representation among themselves, the working group suggests that:

- A member of the Board and his/her alternate serve for at least 2 years.
- Every Board member can be accompanied by a maximum of 2 other members from that constituency. Only one member sits in the Board and speaks[6].

Below are a few suggestions to guide the Board or stakeholder groups when deciding on how constituencies should be assembled*:*

**Partner countries (a)** Countries on the Board are expected to consult with their constituencies ahead of important decisions. The constituencies would consist of developing countries working in partnership with the FTI.

2 African seats (Eastern and Southern, Central and Western)

1-2 Asian seats

1 Other seat

[5] A group of stakeholders is in fact a constituency. In this document, we have used the word constituency to refer to sub-groups within a group of stakeholders.

[6] Non-speaking attendees should only speak if specifically invited by the Chair (e.g. if that person has some special knowledge useful to the Board and it is more efficient for them to convey it direct than via their Board member).

**Partner countries (b)** Countries would be selected/elected among partner countries during the Partnership Meeting and would not be expected/required to consult with their constituencies. Geographical spread is not necessary.

**Bilateral donors (a)** A seat on the Board would have to represent funding to the FTI trust fund(s). If there are 4 donor seats, a seat could "cost" 20% of the amount pledged. The period during which to calculate the cost of a seat could be the past year, the present year, and the following year.

**Bilateral donors (b)** More or less fixed constituencies (e.g., along the lines of the GCE US) or:
1 UK, Australia, and possibly Ireland

1 Netherlands and ?

1 Norway, Sweden, and Denmark (Finland?)

1 EC, Belgium, Germany, Austria, and ? (other EU members)

1 Spain, Italy, and France

1 Canada, US and others…?

Even in this model there would need to be a certain correlation between a seat and the amount of funds provided. If a new major donor enters the group of donors, it would jointly have to revisit the constituencies. A focal point among the donors could be appointed for handling such matters.

**Civil society**. The models have slightly different implications regarding how to compose the CSO group. It is, however, suggested that GCE coordinate this group. Preferably CSO seats should be equally divided between N and South when possible.

**UN/multilateral**. The only constituencies represented in this category would be the UN agencies, which are expected to share 1 seat in two of the models shown above.

**Private sector.** Having the private sector represented on the Board could prove very valuable. They are increasingly becoming an important stakeholder in education as a goods and services provider, partner, innovator, and consumer of education. Private sector also brings professional management skills that would be invaluable in the development and implementation of education sector plans. It is suggested that the World Economic Forum facilitate the selection/election of candidates, at least initially.

**Foundations.** Some foundations are increasingly becoming major donors and innovators in education. Foundations also represent a relatively unrestricted source of funding for special

projects within FTI. If a model is chosen where Foundations does not have a constituency of their own, they could possibly be included into the group of donors.