

## **GOVERNANCE REVIEW**

### **For Decision**

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#### **1. STRATEGIC PURPOSE**

1.1 The purpose of this paper is to summarize the deliberations of the Governance, Ethics, Risk and Finance Committee (“GERF”) during its meeting, which was held in Paris, November 5 and 6th, 2015.

#### **2. RECOMMENDATION**

2.1 The GERF recommends that the Board approves the following decision:  
BOD/2015/12-XX—[Title]: The Board of Directors:

1. Takes notes of the results of the light touch governance survey as presented in (GERF/2015/10 DOC 04 and GERF/2015/10 DOC 04 Attachment 1) and recognizes that overall the 2013 governance reform achieved its objectives, in terms of efficiency, transparency and increased participation of all constituencies.
2. Notes that with the adoption of the Strategic Plan and implementation of key actions required to strengthen the operational platform, there is a risk that significant changes to GPE’s governance arrangements in the short term might have a negative impact on GPE’s ability to deliver on these critical tasks. However, recognizing that there are certain areas where minor changes could improve governance:
  - a. Agrees with the minimal revisions to the Board and Committees Operating Procedures as presented in BOD/2015/12 DOC 13 Annex 1. Notes that those revisions aims to ensure a more formal, transparent Committee nomination process, to increase the capacity of Board Members and the wider constituency category to engage upfront with Committee members, and to strengthen a deliberative and participatory process at the Board and Committee level.
  - b. Agrees with the minimal revisions to standing Committee Terms of Reference as jointly presented by the three standing Committees Chairs (GERF, CGPC, and SPC)

during the December 2015 Board meeting, including the addition of new areas of work to accommodate changes in the Operational Model and Strategic Plan 2016-2020.

- c. Requests the Coordinating Committee (Or GERF) to consider any outstanding issues including potential overlaps in Committee Terms of Reference and to make recommendations for amendments to the Board at its next face-to-face meeting.
3. Taking into account the findings of the Independent Evaluation and the Governance review, requests the Secretariat, with the support of external expertise and including through benchmarking with comparator organizations as appropriate, to further examine the issues and present options to the GERF in order for it to make recommendations to the Board at its next meeting in June 2016 on the following:
- a. Examine **GPE decision making** processes, in particular the current **role of Standing Committees** with respect to decision making, including delegation of decisions, and the process and use of non-objection decisions
  - b. A process for a **periodic review of constituency groupings**, and to conduct a review of the current composition of the constituencies in consultation with each constituency including options for changes in the composition of constituencies and/or options for the creation of any new constituencies
  - c. Analyze further the pro/cons of having a **set of criteria to become a Board/Alternate Member** and develop options for such work.
  - d. Define options for **GPE membership criteria**.

4. Further notes that Committees will benefit from Committee members experience by establishing rolling terms that would be staggered for all Standing Committees. Therefore, agrees to:

***Option 1***

- a. Extend half of the current Committees members and all Chairs for 1 year (to December 2016).
- b. Open nominations for half of the Committee positions for a 2 year term (December 2015 to December 2017).

### ***Option 2***

- a. Extend all current Committees members and Chairs current terms for 1 year (to December 2016) at which point a new call for nominations will be placed for a two year term to December 2018.
- b. For any new members or Chairs joining the committee to fill vacant positions prior to that call for nominations, they will serve a term to December 2017 at which point a new call for nominations will be placed for a two year term to December 2019.
- c. With the aim of ensuring approximately 50% turnover in committee membership on an annual basis through rolling terms, and in the event that this cannot be achieved early in 2016 through natural vacancies, requests the Board Chair in consultation with the Committee Chairs to engage with relevant Constituency categories and Committee members as appropriate to seek to achieve this balance.

### ***Option 3***

- a. Retain the current 2 year term and call for nominations for Committees members and Chairs immediately (Committee members remain in place until replacements are appointed).
  - b. Open nominations for a one year term of half of each Committee (December 2015-December 2016) and two year term for the other half (December 2016-December 2018).
5. Requests the Secretariat to update the Board and Committee Operating Procedures and related policies to integrate all modifications mentioned above.
  6. Notes the importance of facilitating information sharing to improve constituency consultation and Board decision making, and therefore requests the Secretariat to facilitate a pre-Board meeting event on the day before each scheduled face-to-face meeting of the Board.

## **3. BACKGROUND**

3.1 The purpose of the Secretariat paper (GERF/2015/11 – DOC 03) was to inform the “light-touch governance review” as defined by the GEF Terms of Reference. The scope of the review is limited to the governance structure of the Global Partnership at global level.

3.2 An extract of the survey results are included in (GERF/2015/11 – DOC 03 - Annex 1). Some of the comments have been slightly modified to preserve anonymity but the substance has not been modified in any way. The complete survey results are available on the GERF’s Eteam site.

#### **4. SUMMARY OF THE DISCUSSION**

4.1 The Secretariat summarized the key findings of the survey and of the Independent evaluation and informed committee members of inputs received by both the Country Grants and Performance Committee (CGPC) and the Strategy and Policy Committee (SPC).

4.2 The GERF reviewed in detail the areas of improvement and options identified in GERF/2015/11-DOC 03 Annex 2 along with the Secretariat’s recommendations and recognized that some minimal changes could help strengthen the governance structure. However, the GERF agrees with those survey respondents that recommended slowing the pace of governance reform to observe and assess the impact of changes, particularly given the very heavy workload associated with the strategic plan and revisions to the operational model.

4.3 At this time, the GERF reached consensus to recommend measures to ensure a more formal, transparent Committee nomination process to increase the capacity of Board Members/wider constituency category to engage upfront with Committee members and to strengthen a deliberative and participatory process at the Board and Committee level. The following issues have been discussed and subsequent minor revisions to the Board and Committee Operating Procedures have been drafted by the Secretariat, as presented in Annex 1, and are recommended to the Board for adoption:

- a. **Selection and Appointment of Committee members:** in order to increase the representativeness of Committee members and the dialogue within each constituency category, it is proposed that Committee nominations are endorsed by Board members/Alternate Board members representing their constituency category.
- b. **Nomination Procedures:** The GERF agrees that the Board Chair should retain a central role in determining committee membership to ensure an overall balance across constituency categories. However in order to increase transparency of the nomination procedure, and to ensure that Committees have the necessary skills to fulfill their responsibilities, it is proposed that the Board Chair consult with Committee Chairs prior to the nomination. Committee Chair will have the opportunity to advise on which candidate is adequately qualified taking into consideration skills and expertise of other Committee members and Committee requirements. Jointly, the proposals on the endorsement of Committee nominations by

Board/Alternate Board members and the consultations with Committee chairs is mean to increase dialogue around nominations, improve the representativeness of Committee members and promote a more transparent nomination process.

- c. **Membership Term:** The GERF agreed that there is a need to provide a good balance between continuity and renewal of Committee members. They discussed various options proposed and noted that having rolling terms would avoid the need for a major periodic nomination process across all Committees. To ensure rolling terms and a continuity of expertise within Committees, the GERF recommends that half of the Committee members' will have terms expiring in alternating years.
  
- d. **Committee members' representativeness:** Some members from the 3 standing committees noted that their role was unclear, especially to what extend they should consult and represent their constituency category positions. The GERF recalled that this question was discussed when the Committees were created. Some members strongly noted that no members are acting on an individual basis; all members represent their institution while seeking consensus on decisions that are in the best interest of the Partnership. Based on the GERF's desire to clarify this role, the Secretariat recommends the inclusion of the following paragraph in the Committee Operating Procedures: "Committee members should be able to act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the Global Partnership for Education. They should represent the positions and interests of their constituency category to the best of their capacity, including through prior consultation wherever feasible".
  
- e. **Expertise:** Committee Chairs could look at the circumstances in which specific external expertise could be added to the Committees either on a recurrent basis or on case by case basis to advice on specific issues. Some GERF members suggested that some expertise could be also offered internally by participating members of constituencies. The committee chair may determine the need for the participation of expert(s) who may have specific knowledge or expertise required by the committee to perform its work. The expertise could either be provided for a specific issue/meeting or permanently. In either case, due attention would need to be paid to the costs of such an approach, the impact on Committee operations, and to issues of conflict of interest and performance management. It is proposed to offer the opportunity for additional expertise but to request the Secretariat to systematically proceed to a cost/benefits analysis.

- f. **Observers:** To improve information sharing between all Standing Committees, it is proposed that Committee Chairs are encouraged to invite one representative of other Committees to attend Committee meeting.

4.4 As Committee terms end in December 2015, the Secretariat invited the GEF to examine the process/timeline to replace actual Committee Members. The Secretariat recalled that currently the Committee term is 2 years. Given that the learning curve is high due to the complexity and scope of discussions, committees would benefit from the continued participation of experienced committee members. The Secretariat also stressed that the finalization and early implementation of the new Strategic Plan is likely to include several tasks for the Standing committees in the first half of 2016, which would benefit from keeping committee membership the same for now.

4.5 GEF members expressed different views, which are summarized below as options to be further discussed by the Board. The GEF quickly agreed on the rolling principles and expressed a preference for keeping member’s terms to 2 years with the possibility for a member to be nominated to other(s) mandate(s) in the same or another Committee. The GEF discussed when and how the principle of rolling terms should be applied - whether it start immediately or be postponed due to the risk of a loss of institutional memory within Standing Committees especially at a time of critical work with the Strategic Plan? How to define which members of the Committee should be given initially a either one year or an extended three year term? The Board is invited to consider the following options:

<p><b>Option 1:</b> (Extension of half of the positions and rolling terms)</p> <ul style="list-style-type: none"> <li>a. Extend half of the current Committees members and Chairs by 1 year (to December 2016).</li> <li>b. Open nominations for half of the Committee positions for a 2 year term (December 2015 to December 2017)</li> </ul>	<p>Strikes a good balance between ensuring fresh perspectives from new members while ensuring continuity. It might be difficult to decide which members are extended for one year. This would require consultations within the relevant Constituency Categories and current committee members.</p>
<p><b>Option 2:</b>(Extension of Current member plus rolling terms linked to vacant positions)</p> <ul style="list-style-type: none"> <li>a. Extend all current Committees members and all Chairs current terms for 1 year (to December 2016) at which point a new call for nominations will be placed for a two year term to December 2018.</li> <li>b. For any new members or Chairs joining the committee to fill vacant positions prior to that call for nominations, they will serve a term to December 2017 at which point a new call for nominations will be placed for a two year term to December 2019</li> <li>c. With the aim of ensuring approximately 50% turnover</li> </ul>	<p>More practical approach which take into account natural vacancies. In practice, Committees are exposed to a natural high turnover. This process would allow to extend terms of currently high skilled committee members and focus on deliverables without having to form a large number of Committee members until January 2017.</p>

<p>in committee membership on an annual basis through rolling terms, and in the event that this cannot be achieved early in 2016 through natural vacancies, requests the Board Chair in consultation with the Committee Chairs to engage with relevant Constituency categories and Committee members as appropriate to seek to achieve this balance.</p>	
<p><b>Option 3:</b> (Statu Quo plus rolling terms)</p> <ul style="list-style-type: none"> <li>b. Retain the current 2 year mandate and call for nominations for Committees members and Chairs immediately (Committee members remain in place until replacements are appointed).</li> <li>c. Open nominations for a one year term of half of each Committee (December 2015-December 2016) and two year term for the other half (December 2016-December 2018).</li> </ul>	<p>Risk of a loss of institutional memory at a time of critical work with the Strategic Plan and could be a loss of productivity as new committee members need to find a way of working effectively. However, actual committee members might be renominated for a second term.</p> <p>Additional work for the Secretariat to launch the call for nomination.</p>

4.6 The GERF also noted the need for the Secretariat to further strengthen dialogue ahead of Board meetings and encourage cross-constituency consultations by organizing, as needed, information sessions one day prior to Board meetings to allow the formal Board meeting to focus on decision making. Members appreciated the added value of webinars but suggested that ongoing analysis be performed on participation rates and impact on decisions.

4.7 The GERF agrees that both the Independent Evaluation and the Governance Survey have brought to the attention of the Committee a number of complex issues that are beyond the scope of the initial “light-touch governance review”. Prior to any in depth discussion of those issues, the GERF would need additional feedback from the Board on how these issues should be tackled. Members of the GERF noted that some of these issues have already been discussed in the past without reaching a consensus among Board members. At this point, it would be essential that the Board defines a clear path forward on whether it should be discussed further in 2016 following more in-depth analysis, or deferred to a later stage.

4.8 The GERF specifically brings to the attention of the Board **the need to clarify the role of Standing Committees and their decision-making authority**. This question is directly linked to the role of the Committees – whether decision-making or advisory, and the impact that this would therefore have on Committee membership. Some respondents consider that the risk that the Board doesn’t have time to focus on strategic issues might be effectively tackled by reinforcing Committee structure and delegating certain decision-making functions. The fundamental question to address is whether Committees should have more delegated decision-making authority, and if so, which

decisions would be delegated. Should the GERF explore further options to increase delegation of authority to Committees?

4.9 The GERF also brings to the attention of the Board other structural issues that have been raised through the governance survey, including:

- a. **the Board Composition:** Does the Board consider that the Global Partnership needs to establish a periodic review of constituency grouping? If yes, when should the Secretariat review the current composition of the constituencies in consultation with each constituency grouping and inform the Board of any proposed changes in the composition among different constituencies and/or creation of a new constituency? Within this discussion are considerations related to the balance of constituencies within the Board and the ability of the Board to reach consensus.
- b. **GPE Membership criteria:** Does the Board consider that the need to clarify membership criteria should be further explored? Would the Board be interested to explore the option that membership for countries might not be attached to Education sector plan endorsement but to the principles of collaboration around the education sector (increased membership to countries eligible for ESPD grants, MICs/emerging economies)? Would the Board consider further the creation of an “associate partner category” for all potential partners (countries which are neither donor nor ESPIG recipients, interested donors or multilateral agencies etc...)?
- c. **Definition of a set of criteria to become a Board/Alternate Member:** The Secretariat briefly recalled that a majority of respondents are in favor of defining minimum requirements for Board membership and noted that this issue concerns all constituency grouping and shouldn't be addressed only for one specific group. Among those who are not supportive of the establishment of requirements, some mentioned that all constituencies would have to apply these criteria in their selection process, which would undermine the principle of self-governance of the constituencies. The GERF considered that it is a structural issue which would require further analysis.

4.10 The GERF also reviewed its **terms of reference** and feedback received on other Standing Committees Terms of reference. The GERF quickly reached a consensus that the Board should discuss in Executive Session the terms of reference and work of the Coordinating Committee. Some Committee members concurred with survey findings and proposed that the Coordinating Committee

should be abolished or merged with the Strategy and Policy Committee. The GEF agreed that the Secretariat should proceed with minimal amendments to the GEF, CGPC and SPC terms of reference as defined by each Committee and organize an inter-committee consultation on the margins of the Dakar Board meeting to jointly finalize the work on cross cutting issues such as (performance, and grants other than country grants etc.). Each Committee will be asked to nominate 2 members to fulfill this task and the Chair of the GEF will present the results during the Board meeting.

## **5. ANNEXES**

Annex 1: Proposed Revisions to Board and Committee Operating Procedures

Annex 2: Review of Committees Terms of Reference

## Annex 1: Proposed Revisions to Committee Operating Procedures

*The proposed revised language is highlighted below.*

### 4. SELECTION OF COMMITTEE CHAIRS, MEMBERS, TERMS OF SERVICE AND REMOVAL

4.1 **Selection and Appointment.** The Board Chair will propose the chair and membership of each committee, based on the committee terms of reference and nominations made by constituencies, and endorsed by Board members/Alternate Board members representing their constituency category, for Board approval.

4.2 **Nomination Procedures.** Every year, the Board Chair will launch a call for nomination. Board constituencies shall submit to the Board Chair and Secretariat a prioritized list of the names of individuals they wish to nominate for standing committee membership, along with the specific committee on which they prefer their nominees to serve and whether the nominees are willing to serve as chair. The list shall be endorsed by Board/Alternate Board members representing their constituency category. Constituencies may nominate Board members, Alternate Board members or other constituency members to serve as committee members, provided the nominee possesses skills and experience that align with the committee's mandate under its committee terms of reference. The Board Chair shall make all reasonable efforts to ensure that there is an appropriate balance between each of the constituency categories (as set out in the GPE Charter) in the membership of committees and in the persons serving as chair across each of the committees, and to consult with Committee Chairs, prior to submitting his or her proposal to the Board for its approval.

4.3 **Membership Term.** Committee members, including chairs, shall serve a term of two years or until a successor has been appointed. To ensure rolling terms and a continuity of expertise within Committees, half of the Committee members' will have terms expiring in alternating years.

4.4 **Alternates.** Each constituency category shall maintain internal procedures for appointing an alternate to represent the constituency category at a specific committee meeting in the exceptional case that a committee member cannot attend the meeting. In such exceptional cases, the constituency category may send an alternate representative, provided that notice to the committee chair and Secretariat is provided no later than one week prior to the committee meeting. This appointment is temporary and expires at the end of the meeting that the committee member cannot attend. Communication with the alternate representative is the responsibility of the committee member. Communication with the alternate representative is the responsibility of the committee member.

4.6 **Members Representativeness:** Committee members should be able to act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the Global Partnership for Education. They should represent the positions and interests of their constituency category to the best of their capacity, including through prior consultation wherever feasible.

4.7 **Member Accountability and Removal.** Each committee member shall remain engaged and diligent in the performance of his/her responsibilities. Accordingly, each individual serving in such a role shall be subject to the assessments by the Board Chair and relevant committee chair. If such assessments determine that the individual has not fulfilled his/her responsibilities, including, without limitation, failing to attend meetings and participate in discussions, the Board Chair, in consultation with the committee chair, may request the relevant constituency category to put forward a permanent replacement to complete the individual's term or remove the constituency from the

committee and seek a replacement for the vacant committee seat in accordance with these procedures.

6.8 **Experts.** The committee chair may decide on additional participation of expert(s) who may have specific expertise required by the committee to perform its work. The expertise could either be provided for a specific issue/meeting or permanently. The expertise could either be provided internally by any constituency or externally by an independent individuals. The committee chair shall requests the Secretariat to proceed to a cost analysis before issuing any invitation, specifying the area of expertise needed, the timeframe and if an internal or independent expertise is preferred.

6.9 **Observers.** The attendance of observers at face-to-face committee meetings may be permitted with the written consent of the committee chair. To improve information sharing Committee Chairs have the ability to invite one representative of other Committees to attend. All observers shall bear their own expenses for their attendance unless they are eligible to funding as defined per art.6.11.

## **Annex 2: Proposed Revisions to Standing Committees Terms of Reference**

*2 representatives from each Committee will finalize the proposed revisions to the Standing Committee Terms of Reference prior to the Board meeting. Those revisions will be presented to the Board by the Chair of the GERF.*

### **1. REVIEW OF GERF TERMS OF REFERENCE (“TOR”)**

**Proposed revisions** (analysis based on GERF self-review of its terms of reference on Nov. 5-6 meeting, responses to the survey *questions 28, 32-35* and Secretariat analysis):

TOR need to be clarified, but the focus should rather be on implementation of roles than material revisions. The following issues have been identified:

#### ***Budget and Costs***

- Clarify what the GERF is being asked to monitor, noting that the monitoring of costs of Grant Agents is included in the Portfolio Review
- Proposal that the GERF review annually Grant Agents costs

Currently the TOR stipulates that: GERF mandate to “oversee budgets and costs including: developing and monitoring the implementation of policies on Supervising and Managing Entity roles and responsibilities and associated fees and costs for grants; and providing guidance to the Secretariat on the operating expenses budgets”.

#### ***Misuse of funds***

- Proposal that the Secretariat reports semi-annually to the GERF on cases of Misuse
- Proposal that GERF members sign the confidentiality statement

#### ***Allocation and eligibility criteria***

- Clarify shared responsibility of GERF and SPC for defining allocation and eligibility criteria

#### ***Monitoring of policies implementation***

- Increase monitoring of policies implementation (conflict of interest, transparency)

#### ***Risk Policy***

- Clarify GERF responsibility on risk management to align with the Risk Policy

### **2. REVIEW OF COUNTRY GRANTS AND PERFORMANCE COMMITTEE (“CGPC”)**

**Proposed revisions** (Analysis based on CGPC self-review of its terms of reference on October meeting, responses to the survey *questions 36-39* and Secretariat analysis):

#### ***Grant Applications***

- Clarify grant applications should be reviewed in light of strategic priorities and compliance with relevant GPE policies.

- Grants applications other than Education Sector Program Implementation Grants (ESPIGs) to be reviewed in collaboration with the Strategy and Policy Committee. The Strategy and Policy Committee's focus will be on thematic areas and knowledge/good practice exchange.
- CGPC Chair, in collaboration with the Secretariat, may commission an external review of grant applications.

### ***Grant Performance***

- Clarify grant performance should be considered in light of strategic priorities and compliance with relevant GPE policies.
- Performance of grants other than ESPIGS, Education Sector Plan Development Grants (ESPDG) and Program Development Grants (PDG) to be tracked in collaboration with the Strategy and Policy Committee. The Strategy and Policy Committee's focus will be on thematic areas and knowledge and good practice exchange.

## **3. REVIEW OF STRATEGY AND POLICY COMMITTEE (“SPC”) –**

**Proposed revisions** (Analysis based on SPC self-review of its terms of reference on October meeting, responses to the survey *questions 40-44* and Secretariat analysis):

### ***Strategic Management Framework***

- Provide input on new strategic plans (now: SPC develops strategic plan).
- Track program on Implementation Plan and Results Framework (in addition to strategic plan).

### ***Grant Applications***

- In collaboration with the CGPC, review grants applications other than Education Sector Program Implementation Grants (ESPIGs) through the lens of thematic priorities and knowledge and good practice exchange.

### ***Grant Performance***

- In collaboration with the CGPC, track performance of grants other than ESPIGS, Education Sector Plan Development Grants (ESPDG) and Program Development Grants (PDG) through the lens of thematic priorities and knowledge and good practice exchange.

## **4. REVIEW OF COORDINATING COMMITTEE (“CC”)**

**Proposed scope of revisions** (Analysis based on CC self-review of its terms of reference, responses to the survey *questions 45-48*, Secretariat and GERF analysis):

Revisions may be relatively minor or could involve significant change depending on approach taken to some of the recommendations from the independent evaluation and survey. The GERF recommends the Board to discuss it in Executive Session during the December Board meeting.

### *Areas for improvement:*

- Transparency and systematically report to the Board
- Focus CC calls on strategic issues/decisions rather than on updates
- Facilitate developing country *partner* engagement
- Improve the coordination of Committee work and deal with overlap issues

*Some respondents proposed structural change to increase effectiveness, including:*

- CC should be representative of the Board and accountable to those it represents
- CC should have a broader mandate around strategic planning and direction for the partnership (include the current mandate of the SPC)
- CC should have delegated authority to make decisions on urgent matters between Board meetings
- Delegate more authority to the current Coordinating Committee and/or other Committees (Independent Evaluation recommendation)