

PROGRESS REPORT OF THE GOVERNANCE ADVISORY GROUP

For Information

1. STRATEGIC PURPOSE

1.1 The purpose of this paper is to provide the Board with a progress report on the work of the Governance Advisory Group (GAG) following the June Board meeting and to outline the process for aligning the work of the GAG on governance arrangements with the work of the Governance, Ethics, Risk and Finance Committee (GERF) on strengthening the functioning of the Committees. Both the GAG and the GERF will present their respective recommendations to the Board in December.

2. BACKGROUND

At the June Board meeting in Oslo, the Board agreed on the following decision:

BOD/2016/06-18—Governance Review: The Board of Directors:

1. Mandates the Board Chair to convene a working group of the Board to examine options for strengthening governance arrangements and to report to the Board in time for its next face-to-face meeting on progress made.
2. In view of the call for committee nominations to be launched in December 2016, requests the Governance, Ethics, Risk and Finance Committee (GERF) in consultation with the Chairs of the Country Grants and Performance Committee (CGPC) and Strategy and Policy Committee (SPC), and taking into account the working group's initial deliberations:
 - a. to examine and clearly define skills/competency-based service requirements for committee members.
 - b. to examine and propose options on the size and composition of the committees in light of the mix of skills/competencies required, the workload of the committees, and their representativeness.
 - c. requests the GERF to develop clear selection procedures based on commonly agreed criteria to report to the Board at its next meeting in November 2016.

3. UPDATE ON GAG WORK

3.1 The GAG is comprised of the Board and committee Chairs along with a number of Board members that expressed an interest in participating. It met in Washington, D.C. on September 14 to

consider a number of issues. In particular, the current committee structure, committee composition, the workload of the committees, Board size and composition, and creating a position for a Board Vice Chair. Additional items for consideration included a process for formally assessing Board and Committee performance, developing a decision-making framework, and considering the impact on the timing for renewal of the Board and Committee membership considering the expiry of Board terms and most Committee members' terms.

3.2 The full-day meeting resulted in agreement to develop recommendations on five key areas as set out below:

1. Clearly defining the role of the Board and its Committees.
2. The need for changing the cultural norms with respect to committee membership and operating procedures in order and reinforce the importance of participation.
3. Delineating the skill sets and attributes for members of each Committee.
4. Restructuring the Committees, with a clear recommendation to divide the current GERF into two committees: Finance, Risk, and Audit, and Governance and Ethics Committee.
5. The establishment of a Vice Board Chair position.

3.3 In line with the existing mandate of the GERF from Oslo, recommendations 3 and 4 will be further developed by the GERF at their next meeting in early November for review by the Board in December. The GAG will further develop the remaining recommendations including the role of the Coordinating Committee for presentation to the Board for decision at the December 1-2, 2016 Board meeting.

4. PROCESS FOR ALIGNING GAG AND GERF GOVERNANCE RECOMMENDATIONS

4.1 Following the October 18 Board call and taking into account the Board deliberations, it is proposed that a substantive draft Board paper on the GAG recommendations mentioned above be developed. The draft paper will include proposed revisions to the Charter, Board and Committee Operating Procedures and the Committee terms of reference to enact the recommendations. The draft paper will be circulated to the Committees in order that they may take this into consideration as they finalize their recommendations.

4.2 The GERF will consider a paper on strengthening Committee skills/competencies, and composition/size to enhance committee functioning and inform the upcoming Committee nominations process. This is likely to result in modified TORs for the Committees, particularly for the GERF where the creation of two separate committees will be considered arising from the work of the GAG. This paper will be developed in consultation with the Committee Chairs and will take into

account the deliberations of the GAG. The GERF will discuss the paper and finalize its recommendations during its November 2-3, 2016 meeting in Washington, D.C.

4.3 Finally, both GAG and GERF papers will be presented to the Board at its December 1-2, 2016 meeting for decision during one session.

5. TIMING OF CALLS FOR BOARD, COMMITTEE NOMINATIONS

5.1 There will be a Special Board meeting on February 28-March 1 to consider remaining work to finalize the Finance and Funding Framework being developed by the Strategic Financing Working Group and that will be first considered by the Board in December. The GAG noted the importance of limiting the risk of disruption to the Board and loss of continuity at a critical time and are in support of an extension of Board and Committee terms to March 1 to allow this critical work to be completed. It was further noted, that the extension would also provide sufficient time to allow any governance changes the Board may agree to in December arising from the work of the GAG and GERF to be factored into the nominations process for new Board and Committee members.

5.2 The GERF considered these issues at an audio conference on September 22 and have made a recommendation to extend Board and Committee terms until March 1. Please refer to Board paper BOD/2016/10 DOC 03 for the specific recommendation and additional rationale.

6. PLEASE CONTACT Padraig Power (ppower@globalpartnership.org) for further information.