



Independent observer
of the Global Fund

Global Fund 2023-2024 Governance Assessment Report

The Global Fund 2023-24 Governance Performance Assessment Report was undertaken by Morrow & Sodali, which was commissioned by the Global Fund. Questionnaires that were part of the survey were tailored to stakeholder categories, which means that not everyone answered all questions (Figure 1).

Figure 1: Scores of Questionnaire

TOP 10 SCORING QUESTIONS	SCORE	BOTTOM 10 SCORING QUESTIONS	SCORE
My constituency effectively contributes and participates in Board meetings.	1.21	Board members act based on the objectives and interests of the Global Fund as a whole, rather than the interests of particular constituencies.	0.67
The Board Chair effectively discharges their responsibilities as outlined in its Terms of Reference.	1.20	The number of items on the Board meeting agenda is appropriate.	0.15
The Board is adequately involved in the process of appointing the Executive Director.	1.28	Board members are comfortable in engaging in constructive challenge and debate at Board meetings.	0.39
The Audit and Finance Committee's mandate is appropriate.	1.26	The Board materials are timely, relevant, of high quality, and appropriate in volume.	0.40
Overall, the leadership of the Strategy Committee is effective.	1.25	There is a clear understanding of where the Board's role ends and the Secretariat's role begins.	0.40
The Audit and Finance Committee is effective in providing oversight of the financial management of the Global Fund's resources.	1.24	The distribution of competencies and experience across constituency members is satisfactory.	0.41
The Board is adequately involved in the process of appointing the Inspector General.	1.22	The Board regularly provides clear guidance to the Secretariat.	0.44
The Board Vice Chair effectively discharges their responsibilities as outlined in its Terms of Reference.	1.21	Board dynamics (the way individual Board members interact with each other in carrying out their duties) allow for a productive exchange and effective decision-making.	0.47
The Board Leadership promotes a culture of openness and trust by encouraging constructive dialogue among Board members.	1.21	The Board, with the support of the Strategy Committee, is able to effectively leverage inputs from the Evaluation Function (Independent Evaluation Panel and Evaluation and Learning Office) in the Board's work.	0.49
Oversight of the Global Fund's financial resources and performance by the Board, supported by the Audit and Finance Committee, is effective.	1.19	Board discussions have an adequate strategic focus.	0.50

Indicates that the question was in the 10 most positive responses in the 2021 GPA.

Indicates that the question was in the 10 most negative responses in the 2021 GPA.

Duty of Care to the Global Fund

After examining the differing definitions of what constitutes “duty of care” across various Global Fund governance documentation, and that the “diversity of its constituencies” is a major plus point as per respondents, a key concern is, that in reality, Board members are perceived to be hard-put to achieve a balance between the Global Fund’s interests and objectives and the interests of their constituency.

Recommendations

After due discussion on exploring the concept of duty of care, the Board should delegate the planning and oversight of activities to the Ethics and Governance Committee (EGC); constituency documents and working should articulate and clearly reflect the onus of fulfilling their duty of care to the Global Fund. This is what constituency members should work towards with their members on the Board and Committee. An example cited of ways of working include setting frameworks within which Board members can engage in unscripted debate, exchange and decision-making towards fulfilling the Global Fund’s mission. There should be inductions and refresher courses for all including Constituency Focal Points reiterating their

duty of care to the Global Fund whilst fulfilling their mandate of representing their constituency views.

The Board's Role and Responsibilities

Strategy Development

Stakeholders broadly agreed that many key aspects of the Board's role are effectively undertaken. However, concerns remain as reflected in the statements cited in the report.

"The Board struggles to prioritize and adapt to changing circumstances and available resources."

"The new strategy is a vast improvement on the previous one, but it still dodges the trade-offs - i.e. it adds new priorities or intensifies existing ones, but nothing is deprioritised. While making the trade-offs may be too much to expect, given the divergence of interests, greater recognition of these trade-offs would be helpful."

"Discussing trade-offs relating to strategy delivery [is a key priority for the Board]. The strategy was adopted before the replenishment, which then came in at more than USD 2 billion under target. The fight against the three diseases is off track. How will the Global Fund prioritise? It cannot always be a case of 'do more with less', which is what some constituencies ask the organisation to do. There is a real risk that the Global Fund will be stretched too thinly, trying to satisfy all interests, and ultimately not succeeding."

"The Board is unable to prioritize or debate trade-offs openly, even when clearly different visions are expressed by different Board members."

"The Board asks management to prioritise 20 different things from 20 constituencies but there is no conversation among themselves. [...] it is becoming a risk given the external environment."

The lack of discussion on trade-offs and "trying to do more with less" stretches thin the resources of the Global Fund. This also partially affects the Board's ability for comprehensive discussions on the risk appetite and its management as this strategic risk is overlooked.

Additionally, both the Secretariat and the Board express frustration because the former expects clear guidance from the latter, which the Board's dynamics and format do not provide. This is compounded by the lack of follow-up on decisions of the Board by the Secretariat as well. There is also discontent that the Board instead of restricting itself to strategic guidance is getting into operational nitty-gritty.

"The Board's role is to steer and provide oversight – the Secretariat deals with operational issues. We also know that when we hire the ED and IG, we go through a robust process to ensure we have someone who is competent. The ED then ensures they have the best team possible to carry out the work of the Secretariat. So why do we as the Board insert ourselves? We can't get caught up in the operational details."

Partnership, Resource Mobilization and Advocacy

There was overall satisfaction across the spectrum that the Board is fulfilling its role of engaging with partners of the Global Fund and raising funds. However, given the upcoming replenishment cycle, there was a feeling that the Board could step up more in this area as the Board's donor constituency seats' current profile does not match the current or future funding landscape. New donors need to be incentivized and not just through seat distribution and voting rights.

"Before the replenishments it seems that the burden is mainly on the host of the replenishment, then the Board Leadership and the Executive Director. A more active role for the Board might be worth considering."

"The Board has not found ways to meaningfully engage new public donors and is wary of the private sector and so has not been willing to explore innovative ways to mobilize resources and capabilities and capacity of the private sector."

Commitment of Financial Resources and Assessment of Organizational Performance

This role involves monitoring of funding proposals as well as workplans and budgets across governing, advisory and administrative bodies of the Global Fund with the help of the Audit and Finance Committee, all of which impacts the Global Fund's financial performance. This was an area where both the Board and Secretariat were seen to be working effectively together.

"This is considered to be the most mature area of Board's governance and oversight."

"The quality of reporting and discussion on financial matters is very high."

Governance Oversight

Overall, there was satisfaction on the appointment process of the Executive Director, and the functioning of the Office of the Inspector General, as well as the Technical Review Panel's recommendations being leveraged by the Board; though some felt more could be done in bringing these into discussions. It would take time to gauge the effectiveness of the Independent Evaluation Panel since it has only recently been created.

"TRP recommendations and lessons learned are incorporated regularly."

"TRP views have been actively sought by the Board in discussions of GC7 grants, especially regarding key areas of strategy implementation."

Board Dynamics and Functioning

There is a regular practice of Board meetings having representatives read out prepared statements. This was seen to affect the space for interactive discussion, strategic oversight, and clear direction setting. However, responses were mixed on this aspect noting the dynamics behind it.

"Board Leadership at the last meeting asked Board members not to read formal declarations but to respond to one or two questions raised during the meeting. They did well but not all Board members are prepared to react to what they hear during the meeting. Each constituency has to prepare for that."

"Constituencies' views on statements vary. A number of people like them because it gives them a succinct way of saying something. [My constituency] view them as important moments to express things we officially want to say when we have a strong view."

"Doing it differently would require constituencies to give over the power to their Board representative and Alternate. [...] it isn't going to happen unless constituencies are prepared to give authority in the moment and have trust that their people will do right by them. Saying 'don't read statements' isn't going to work; you need to think what would need to happen in the constituency beforehand to facilitate that."

Meetings necessitate supporting documentation on key issues requiring Board decision-making but there was a sense that it was too voluminous [an issue touched upon in our article on the [Strategic Review Report 2023](#)] and there was not enough time to read the materials, which defeats the purpose of meaningful engagement with strategic issues and clear guidance for implementation.

"You need to revise and draft positions that have to then be approved. There's a need to condense materials that really focus on the salient points and giving us more time; not two weeks. Perhaps a month to be able to formulate the best concrete positions that we can."

"If you send 600 pages to a constituency that connects with 70 countries that need to translate and receive comments, it's not manageable."

"Although there has been an improvement, there is still a need to reduce the volume of the documents and share them ideally three weeks in advance of the Board meeting."

However, the sheer volume is also due to the regular reporting from governing, administrative, and advisory bodies associated with the Global Fund as well. But there is also a trust deficit between the Board and Secretariat, with the latter trying to respond to the range of concerns the Board expects.

"It is frustrating to see some constituencies complain about volume and then complain when a specific issue of interest is not developed sufficiently in their view."

"The Board has requested shorter papers with options and trade-offs but at the same time there's an issue with trust so they want more details and analysis. We don't know what to give them, it's an ongoing discussion. Donors particularly ask for shorter papers."

The Board meetings like retreats and informal discussion spaces do not always get the expected attendance, especially the latter, frustrating the Secretariat that has to spend considerable resources to prepare and implement.

"Hardly anyone turns up [to informal meetings] so they feel like a waste of time. The Secretariat spends ages making these presentations and little interaction. Feeling of why do we bother. Useful for some but people need to feel they are valued. [...] Need those types of informal call but need a purpose or a sense of urgency."

"Retreats and informal calls have to bring some kind of outcome, not just to meet."

Despite well-meaning efforts by the Global Fund, the perceived distinction between and power balance between donor and implementer countries remain an irritant. But this is a challenge faced by many in any global and multi-stakeholder organizations.

"The trend here is you have a set of well-prepared donor countries that have varying degrees of support teams devoted to the Global Fund and you have a group of implementer countries where the quality of representation is pretty variable."

"There's an imbalance between donor and implementer constituencies when it comes to ability to document what is in background and what are consequences of decisions. I don't have a solution for this, only way is for implementer to become stronger in terms of background support."

"Implementers need to be clear on the issues that are preventing results. Implementing countries are more quiet than the donors deciding on the key issues. It needs to be balanced."

However, while the above came out in the interview responses, surveys indicated that both donors and implementers felt their participation in decision-making was effective and balanced.

Recommendations

There is a need for all reference documents to be made available on the Board portal; the Board Leadership and the Coordinating Group need “to reimagine Board meeting agendas to maximise time spent on strategic issues and minimise duplication between Committee and Board discussions” and “depending on the issues discussed, Board Leadership may appoint a panel of different Board, Committee, or constituency members as panel members to lead the discussion.”

Board Committees

The Coordinating Group plays a critical role in “acting as a bridge” between the Board and the Secretariat to improve the trust and relationship on both sides. However, the lack of trust may also have led to perceptions of the Coordinating Body being too close to the Executive Director. Moreover, some interviewees were of the opinion that rather than the Board leadership holding the Secretariat to account, the Board leadership and the Executive Director “act seemingly as a collective body”.

“I think the Secretariat are too present in the Coordinating Group. Board and Committees need their own moments for independent conversation.”

Recommendations

To prevent duplication of materials from Committee meetings being summarized and recycled for Board meetings, the Committee reports should clearly state what issues and questions require a Board response and/or decision. Committee members need to have needed competencies and expertise and where this may not be the case, the EGC should step in and question why they have been nominated. The EGC, only in cases where specific area of expertise is not likely to be available among constituencies, should bring in independent persons with the required qualifications.

Constituency Engagement

More opportunities are necessary for exchange between Constituency Focal Points, especially between donor and implementer groups, as there is little occasion for consistent engagement, and is often

restricted to informal dialogues that are few and far between. Focal Points need to share best practices, network and connect with each other. But this is not just about creating opportunities but support for such endeavours.

"Advancing more support to broader constituencies may be necessary to realise effective engagement."

"The Implementer Groups serves as a mechanism for fostering open dialogues among constituencies and for forging common positions."

"[Engagement] tends to happen more within groups (ACB, donors, implementers) than between them."

"The meeting of CFPs alongside the Board Meeting was helpful. CFPs of certain constituencies also arrange other meetings as required. A chat function on the new portal may be helpful, especially for new CFPs."

"I felt generally a lack of interest by donors to engage with all implementer constituencies on one side and inadequate capacities or confidence to negotiate from the other side."

Hearteningly, the Constituencies and the Board expressed appreciation for the support offered by the Secretariat and Legal and Governance Department.

"The support from the Secretariat is excellent, without a doubt the preparation going into the board meetings is very good. Constituencies can write to the Global Fund and you'll get a response very quickly, even with the ED. The Governance Team deserve kudos. They have to prepare for meetings but also need to travel but they respond and support very well."

"The Governance team must be commended for its responsiveness and effective support to the constituencies."

"We get a lot of support from the Secretariat, very quickly and it is very good."

Recommendations

A specific recommendation was for internal processes among constituencies to provide feedback to their representatives on the Board and the Focal Point against an agreed set of expectations, which could vary across constituencies. On their governance portal, the Legal and Governance Department could open exchange of best practices on prep for Focal Points to engage with the Board as well as actively challenge others when needed.

Board Profile

The issue of representation came up and there was broad agreement that Africa should have a stronger voice in Global Fund governance. Further, the report notes that the traditional donor implementer tags no longer work citing the example of Kenya, Nigeria, and South Africa. All of these “are currently included in implementer constituencies, yet at the Seventh Replenishment they pledged more in funding for the Global Fund than some countries included in donor constituencies. Across the entire Seventh Replenishment, 22 implementer countries pledged funding to the Global Fund.”

“The constituency model has evolved with key donors ‘capturing’ seats. There is no rationale to determine the seat holders, hence the debate over including new donors, when the constituency model should in theory be able to accommodate them. The Global Fund has an arbitrary model of representation, falling between the shareholder model of international financial institutions and the member state model of multilateral organisations.”

“I find the Board to be a bit old fashioned to have donors and implementers and voting to be based on donors and implementers. We should move away from this paradigm and become partners of equals. When I joined I found it a bit too rigid. I think the word ‘donor’ itself needs to evolve. It does not transmit a partnership approach.”

The age profile of the Board was a matter of concern given the part youth will have to play in the eradication of the three diseases.

“I would say the most marginalised and vulnerable are least represented – there are no young people on the Global Fund Board – and it’s not enough to leave this up to the delegations. This should be explicit and intentional.”

“The group of young people is not well represented. Due to demographic change they will play an increasing role in the fight against the three diseases.”

“Groups like young people’s network, third gender, FSW, TB Survivor are often not represented.”

While there was concern about the lack of expertise in the Board in certain areas, the report pointed out that these could be sourced from independent experts and rather the focus should be on whether the members had necessary skills in strategizing, and had the gravitas and seniority to carry out their roles. There were also calls for tenure extension of Board members.

"The Board should consider three-year tenure as it is for the committee leadership but ensure a period of mentorship and transition especially at delegation level."

"Two years is too short for the Board member tenures especially for those newly appointed for the first time. I suggest to align the tenure of the Board members with that of Committee members (3 years)."

"Important for the Board to have the right mix between some level of rotation to ensure fresh views and new ideas and some experience and institutional knowledge. Also important to keep in mind that the learning curve for new Board Members is quite steep."

"Two-year term in operating procedures, but variable application of that term given constituency ownership of how they rotate Board/Alternate Board members. Large multicounty constituencies do stick to two years. Many donors stay for much longer. This has an impact on information/experience inequity. Previously, there was no appetite for three-year Board member terms."

Recommendations

Enhance the profile and tenure of Board members. There is already a mechanism in place, which was endorsed in 2018 by the Donor Group, for integration of new donors into existing voting constituencies. This needs to be implemented. Whether or not the overall composition needs to be revised can be considered once there is agreement on strategic priorities.

Relationship between the Board and Secretariat

This aspect was covered extensively in previous sections as well (see above: The Board's Role and Responsibilities and Board Committees). It was noted that the difference in the tenure of the Board and the length of service of the Secretariat staff led to lack of symmetry in "organizational knowledge and, by extension, contributes to lower degrees of insider understanding and trust."

Recommendations

To mitigate any tensions there could be an annual check-in between the Management Executive Committee and the Coordinating Group. This could be supported by more informal check-ins by the Executive Director and the Management Executive Committee for the Board and Committees between Board meetings for strategic oversight and direction.

Stakeholder Feedback

Stakeholders showed strong support for the continuance of prepared statements, as it allows for

comprehensive and collective views on the agenda items and for Board and Associate Board members to share their consensus positions. There was a suggestion to reduce the number of agenda items to focus on more important strategic and direction-setting issues, including key trade-offs. This would enable those with less resources to participate substantively due to discussions becoming more focused. Another suggestion to make Board meetings more productive was to generate a synopsis that covered aspects of convergence and disagreement, as also any developing trade-offs and tensions. This would ensure that these issues got the attention they deserve so as to resolve them. There is need for action to strengthen accountability.

Conclusion

The report points out that given the time and opportunity costs of informal engagement, it is necessary to structure Board meetings themselves to have open, informal spaces. The report acknowledged that an equitable partnership between constituencies in the long term should be an area of consideration for the Board moving forward and that a process is under review for in-depth and adequate representation of all stakeholders. This is one of those rare reports that actually has direct quotes extensively used to bolster the points made. It is a practice the Global Fund reports need to follow.

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