

GOVERNANCE REVIEW

OVERVIEW

The Investors Group adopted the Governance Document for the Global Financing Facility in support of Every Woman and Every Child (GFF-IG1-3) at their first meeting noting that there were aspects of the governance of the GFF that may require further elaboration. The document explicitly stated that the composition and appointment of Investors Group members would be reviewed after the first year. At its meeting on 3-4 November 2016, the Investors Group agreed to a review of these issues to provide additional clarity on governance. The Investors Group provided guidance on a series of recommendations in a consultation on 14 March 2017. This paper explains the resultant amendments to the GFF Governance Document, based on the feedback provided by the Investors Group.

SUMMARY OF FINDINGS

The Investors Group consultation resulted in amendments to the Governance Document which primarily provide further clarity and nuance to the approach already laid out in the Governance Document. The Investors Group reiterated the need for flexibility and a light touch in the governance of the Global Financing Facility. The amended document is attached to this paper as Annex 1.

ACTION REQUESTED

The Investors Group is asked accept the outcome of the Governance consultation and adopt the revised Governance Document (Annex 1) as the guiding framework for the Global Financing Facility.

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Background

The Investors Group adopted the Governance Document for the Global Financing Facility in support of Every Woman and Every Child (GFF-IG1-3) at their first meeting noting that there were aspects of the governance of the GFF that may require further elaboration. The document explicitly stated that the composition and appointment of Investors Group members would be reviewed after the first year. At its meeting on 3-4 November 2016, the Investors Group agreed to a review of these issues to provide additional clarity on governance. This review has resulted in proposed amendments to the Governance Document which are presented in Annex 1 for approval.

Objective:

The review was undertaken to achieve the following objectives:

1. Facilitate the coordination between key investors in the GFF to support collective action;
2. Strengthen the credibility of the governance structure and its ability to mobilize additional financial resources and build commitment of partners;
3. Strengthen the representative nature of the Investors Group and facilitate feedback and learning from country partners;
4. Give equitable voice to country level and global investors in women and children's health;
5. Provide flexibility to respond to changing needs and circumstances.

Approach:

The process of reviewing and adjusting the Governance Document for the GFF was intended as a light touch review of areas where the document explicitly requests adjustments to be made after one year's experience, namely in the composition and appointment of IG members. It provided the opportunity to address gaps that may have emerged in the governance mechanism, and provide greater clarity and guidance on how the IG should operate.

There are two primary guiding principles inherent in the GFF governance process. The first is that the Investors Group's main role is to provide a forum for coordination of financing for RMNCAH and to focus on both mobilizing additional resources and ensuring alignment and complementarity of funding for RMNCAH. The second is to actively engage and collaborate with a wide range of partners to support the mission of the GFF.

The following principles guided the approach:

- The governance will be fit-for-purpose, efficient, inclusive and transparent;
- The governance will ensure the added value of GFF involvement globally and in countries and will not duplicate work undertaken by other partners or entities;
- The governance will focus on facilitating progress in-country.

Annex 1 proposes specific language for the amendments to the Governance Document. The current document can be found at: <http://globalfinancingfacility.org/first-investors-group-meeting>.

The review did not propose any changes to the overall governance structure and approach which is outlined in the current document. It is useful to note the key roles as outlined in the document.

Summary of respective roles of Investors Group and Trust Fund Committee (as per currently approved Governance Document¹)

	Investors Group	Trust Fund Committee
Role	<ol style="list-style-type: none"> Ensures that the GFF as a facility succeeds in mobilizing and effectively co-financing Investment Cases, health financing strategies, and Global Public Goods essential to reaching the objectives of the Global Strategy 	<ol style="list-style-type: none"> Ensures that the GFF Trust Fund mobilizes and uses its resources in ways that achieve optimal impact while (or by) being catalytic and driving sustainability Operates with independent executive decision-making authority for how resources within the GFF Trust Fund are deployed, drawing on advice from and reporting to the Investors Group for information and feedback
Leadership	<ol style="list-style-type: none"> The Investors Group is chaired by a member of the IG who is selected by consensus. 	<ol style="list-style-type: none"> The TFC operates by consensus and is convened by the Secretariat.
Functions	<p>IG functions:</p> <ol style="list-style-type: none"> Guide and ensure effective complementary financing of RMNCAH Investment Cases Create an enabling environment for long-term financial sustainability of RMNCAH and health programs in countries Mobilize additional domestic and international (including private) resources and other partner support to ensure effective financing for RMNCAH Investment Cases Monitor the performance of the GFF as a facility and foster learning among co-investors based on country experiences 	<p>TF Committee functions:</p> <ol style="list-style-type: none"> Continue to develop GFF Trust Fund Strategy - the principles, strategic funding approach and priorities that guide the grant-making to country Investment Cases by the GFF Trust Fund; Take decisions on GFF Trust Fund allocations and which countries the Trust Fund will invest in; Promote partner engagement and resource mobilization; Oversight and performance management of the Secretariat, including review and approval of the Secretariat’s annual work plans and budget;

¹ All references are to *GFF-IG1-3 Governance Document for the Global Financing Facility in support of Every Woman and Every Child*

<p>Membership</p>	<ul style="list-style-type: none"> ▪ 5 participating countries ▪ 5 public sector financiers ▪ 3 multilateral financing agencies ▪ 2 private sector ▪ 1 private foundation ▪ 3 UN Agencies ▪ 2 civil society ▪ 1 PMNCAH ▪ 1 UNSG’s Office 	<ul style="list-style-type: none"> ▪ Composed of 4 donors to GFF Trust Fund
<p>Constituency Processes</p>	<p>Each group presented above determines a process for selecting its representation on the Investors Group, which will be further refined by the Investors Group during its first year of operation.</p> <p>Members will serve as representatives of their governments, organizations or constituencies, for a period of two years. They will act in good faith and in the best interest of the GFF. The Investors Group’s composition will be reviewed after the initial year of operation.</p>	<p>The TF donor nominates who represents them on the TFC.</p>

PROPOSED AMENDMENTS TO GOVERNANCE DOCUMENT

Issues and Recommendations

The Investors Group provided feedback on each of the issues which has shaped the recommendations and the subsequent amendments. Additional guidance was provided on how to operationalize the guidance which will be captured in an operational guidance document to be used by the Secretariat.

1. Parameters for selection of a Chair

- Nomination/selection process
- Terms of office/rotation Second Level

Current status: The document states: “Investors Group will select among themselves a Chair for a two year term”

The proposed process for nomination and selection of the chair was agreed. It was suggested that extensions of the Chair’s mandate for an additional two years should be carefully considered as a rotation of leadership can be a strength for the partnership.

Proposed amendment: “Trust Fund Committee members will consult with Investors Group Members and solicit nominations for the position of Chair of the Investors Group. Nominees must be Investors Group Members. Based

on these nominations, the Trust Fund Committee recommends a candidate for Chair to the Investors Group for ratification. The Chair will be appointed for a two-year term; he/she shall serve until the appointment of their successor. The Investors Group may decide to extend the Chair for a 1-2 year period by agreement of the TFC and the IG.”

2. Composition of the Investors Group

- **Issues to consider in reviewing the current seat number and allocation on the IG.**

Current status: “The composition and appointment for Investors Group Members will be reviewed by the Investors Group after its initial year of operation in order to refine the model”.

The Secretariat has had several enquiries from potential donors on what their representation will be if they contribute. In addition, countries have asked how representation and attendance at the Investors Group is organized. The Investors Group noted the need to allow each group to organize their representation themselves. (possibly shared as a constituency as membership increases). Thresholds for donor membership are being considered for the Trust Fund Committee. There is a need to balance the size of the Investors Group with a flexibility to bring in new partners and adapt membership based on how the GFF evolves. There was some support for ensuring greater access to partner country voices. It was noted that country representatives needed to weigh in on their representation (input will be solicited during the Learning Workshop on 18-19 April 2017).

a. Addition of new donors

Current status: Five members from public sector financiers with a priority given to either those that contribute to the GFF Trust Fund or align their other resources at country level. Seats are currently allocated to three TFC donors and 2 ‘aligned funding’ donors.

The proposed changes guarantee a seat for TFC members and would accommodate representatives from other categories of donors. Flexibility was emphasized and there was recognition that donors need to be represented based on their contribution level and engagement. There was agreement that a definition of ‘aligned funding’ needs to be developed and agreed; there need to be some parameters for what ‘alignment’ means.

Proposed amendment: Public sector financiers’ seats allocated based on (i) a seat each for each member of the Trust Fund Committee (ii) 2 - 4 seats (possibly shared as a constituency as membership increases) for financiers providing clearly identifiable complementary financing.

b. Rotation of participating country seats

Current status: Four of the five seats are currently allocated based on Secretariat invitation.

The Investors Group noted the need to have countries provide input on how best to manage rotation. There was encouragement to find ways for more country voices to be represented, for example, by having members and alternates represent two different countries, thereby ensuring 10 countries are able to participate in the meetings. There was support for ensuring regional representation. Any increase in donor seats should be matched by an increase in country representatives.

Proposed amendment: Five members (or more based on number of donor seats allocated) from participating countries, including both Ministries of Health and Finance, representing five regions (four in Africa and one rest of the world). Alternate members will be from a second country in the region, rotation of members will be staggered so that not all members change at the same time.

c. Allocation and rotation of private sector seats

Current status: Two seats are currently allocated based on PMNCH constituency nomination and Secretariat invitation.

There was support for defining parameters for seat membership for each seat with representation defined seats based on contribution: one seat held by a financier to the GFF Trust Fund and one seat filled by companies providing technical, financial and/or complementary support. PMNCH offered to continue to support the coordination of the private sector constituency.

Proposed amendment: Two private sector seats will be allocated based on the nature of the contribution:

- One seat will be held by the Trust Fund contributor(s).
- One seat will be held by representatives of the private sector providing technical, financial and/or complementary support facilitated by PMNCH who will coordinate the private sector constituency and manage nomination of members.

d. Allocation of private foundation seat

Current status: The Bill and Melinda Gates Foundation currently holds the seat and represent themselves only.

It was agreed that Foundation contributors who meet the threshold for Trust Fund Committee membership should have a seat on the Investors Group. The Investors Group noted the need to consider whether private foundations who align their funding at country level should have access to the Investors Group. This will depend on the definition of alignment that is established but the same standard should be used for all donors. In the future, an additional Foundation constituency seat can be considered if there are multiple foundations that do not meet the threshold for full TFC membership but meet the criteria of aligned funding.

Proposed amendment: A private foundation seat will be added for each foundation that meets the TFC threshold.

e. Representation of specific expertise on the IG

Current status: There are no thematic expert seats on the Investors Group.

The Investors Group noted the need to be flexible in inviting experts to the IG based on the needs of the agenda and what skill set is relevant. A proposal was discussed to add a seat on innovation given the importance of the Innovation Marketplace in the EWEC and PMNCH ecosystem and the cross-cutting nature

of innovation which would argue for a permanent seat. There could be an argument made for implementation research as a cross-cutting issues. Caution was expressed that specific experts should not have the same status as members. Members suggested it should be up to the Chair to decide which expertise was relevant to any particular meeting.

Proposed amendment: Members had an interest in ensuring the IG had access to a wide variety of expertise and the flexibility to draw on as needed. This should be driven by the needs of the countries and the objective to ensure progress in implementation. This argues against any permanent membership but rather a flexible approach to support the agenda of the meeting, guided by the need of the countries. The observer modality should be used to involve experts.

3. Constituency management

- Constituency processes and rotation of member

Current status: “Each group presented above [current membership] determines a process for selecting its representation on the Investors Group, which will be further refined by the Investors Group during its first year of operation.” ...” Members will serve as representatives of their governments, organizations or constituencies, for a period of two years. They will act in good faith and in the best interest of the GFF. The Investors Group’s composition will be reviewed after the initial year of operation.”

It was agreed that terms of office should be two years and existing members need to prepare a process for membership renewal in 2017. Should changes be made new members should be in place for the sixth meeting of the Investors Group in Q4 2017 and would serve for two years.

Proposed amendment: The following amendments should be made: Each group presented above [*current membership*] determines a process for selecting its representation on the Investors Group. ~~which will be further refined by the Investors Group during its first year of operation”~~.

~~“Members will serve as representatives of their governments, organizations or constituencies, for a period of two years. They will act in good faith and in the best interest of the GFF. The Investors Group’s composition will be reviewed after the initial year of operation.”~~

4. Operational Guidelines:

- Meeting Protocols

Current status: “The Investors Group shall initially meet three times per year in person. Meetings shall be convened by written notification from the Chair.

At its first in-person meeting, the Investors Group will further determine its rules of operations, including issues such as chairing, voting, how meetings are conducted, and whether time-bound working groups will be established.”

a. Guidance on Observers

Current status: Observers invited at discretion of the Chair.

Members suggested that observer invitations should be strategic and transparent. There is a need for boundaries to ensure the open and honest nature of discussions and that there is a purpose for everyone in the room. It would be useful to define some transparent criteria so that there is guidance on the role of observers but maintain the flexibility based on the needs of a particular meeting.

Proposed amendment: Observers should continue to be invited at the discretion of the Chair based on some transparent and clear criteria. Invitations should be issued depending on the meeting agenda. Flexibility is important but there should be a notional limit of 5-8 observers.

b. Additional delegates

Current status: “Members of the Investors Group may each designate one named Alternate Member to serve in their stead, under policies and procedures determined by the Investors Group.”

Members were reluctant to expand the delegations and thought that attendance by members and alternates was sufficient representation.

Proposed amendment: Delegations to the IG should be composed of member and alternate only.

c. Frequency of meetings

Current status: The Investors Group shall initially meet three times per year in person. In 2016, the IG met three times which was considered helpful for the first year of operation but not necessary as an ongoing cadence. Members agreed to move to two meetings a year given other opportunities for global engagement.

Proposed amendment: Amend the guidance from three to two IG meetings per year.

5. Task Teams:

- Terms of reference
- Membership
- Chairing

Current status: “At its first in-person meeting, the Investors Group will further determine its rules of operations, including issues such as chairing, voting, how meetings are conducted, and whether time-bound working groups will be established.”

There have been several time-limited task teams which were established at the request of the IG. Some have been chaired by an IG member, others convened by the Secretariat. Membership has been open and voluntary. The flexibility and informal nature of the groups has been helpful in keeping the approach light and task oriented. Requests for membership of the task teams increased as the GFF became better known, including from outside of IG constituencies. Membership of the Task Teams is not very balanced amongst the constituencies, in particular there has been very minimal representation from partner countries.

Members noted the need to be flexible in membership and to open task team membership to all IG delegations with the expectation being that membership would vary depending on the issue. While most task teams have been established at an IG meeting in response to an identified need if something should arise between meetings there should be the option to establish a task team by email with the IG if it is urgent, with the Chair guiding the proposed terms of reference. There was agreement that these teams should be led by an IG member or alternate.

Recommendation:

- **Terms of Reference:** Task teams should have specific terms of reference, proposed by the Secretariat and approved by the IG, with deliverables and a timeframe before starting work.
- **Membership:** Membership should be open to all IG members with care being taken that membership is suited to the task at hand.
- **Task Team Leadership:** All task teams should have an IG member or alternate as chairperson.

Conclusion:

Additional small edits were made to the text of the Governance Document in line with feedback received from IG members. All changes are tracked in Annex 1.



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