STRENGTHENING STBP GOVERNANCE

TRACK 1/3: OPTIMIZING BOARD CONSTITUENCIES

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EXECUTIVE SUMMARY

This Paper (Track 1) is part of a three-track package aimed at strengthening the governance function of the STBP Coordinating Board. An additional Summary Document provides information on background, overall aims, and methods.

The focus of Track 1 is on the Coordinating Board's constituencies, in particular on (i) the representativeness and number of the Board's constituencies, (ii) voting rights of members, (iii) the Board's size, and (iv) membership types.

1. BACKGROUND

A key question for any (global health) board is how to find a balance between being a r*epresentative board* (i.e. having as many voices on the board as there are types of constituency partners) and being a *strategic board* (the core purpose of which is to catalyze and accelerate action).

STBP's Coordinating Board currently faces two challenges:

1. The global health landscape has changed (and continues to change rapidly). In this context, the Board must ensure that it can continue to function, lead, mobilize adequate resources, and deliver in an agile manner (this is partly determined by the Board's structure and membership).

2. STBP's Partnership has increased from approximately 120 members in 2001 to 800 members at present.[1] However, for a governance review, more important than changes in membership numbers is the change in membership composition.[2]

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[1] These are all active members, following a Secretariat review of the Partners' Directory in 2011.
[2] A large fraction of STBP's members appear to be small NGOs from a handful of countries. Source: STBP Partners' Directory and STBP Partnership Directory Report.

The questions that arise here are:

❖ Has the Board's composition adequately evolved to represent the current membership?
❖ If the Board is not only to represent constituencies with reference to the number of members in each, but also their 'strategic' weight,[3] on what basis should the Board be composed (and under what circumstances should the composition evolve to meet the realities of a global health landscape that has changed significantly in the past decade)?

The main aim of this paper is to generate initial ideas for the Board on how to improve the balance of *inclusiveness* (in this direct context meaning adequate constituency representation) with *effectiveness* (ensuring the adequate inclusion of 'strategic players').[4]

Following a brief analysis of the current status of STBP's governance structures and a comparison with other similar boards (RBM, UNITAID, GFATM), an analysis of potential benefits and costs is presented for two possible overall scenarios for optimizing board constituencies. Finally, initial ideas for optimizing board constituencies are provided.

2. CURRENT STATUS

Board Constituencies

The STBP Coordinating Board is currently composed of 34 seats, divided into 10 constituencies (See Graph 1 below).

Graph 1: Coordinating Board Seats by Constituency

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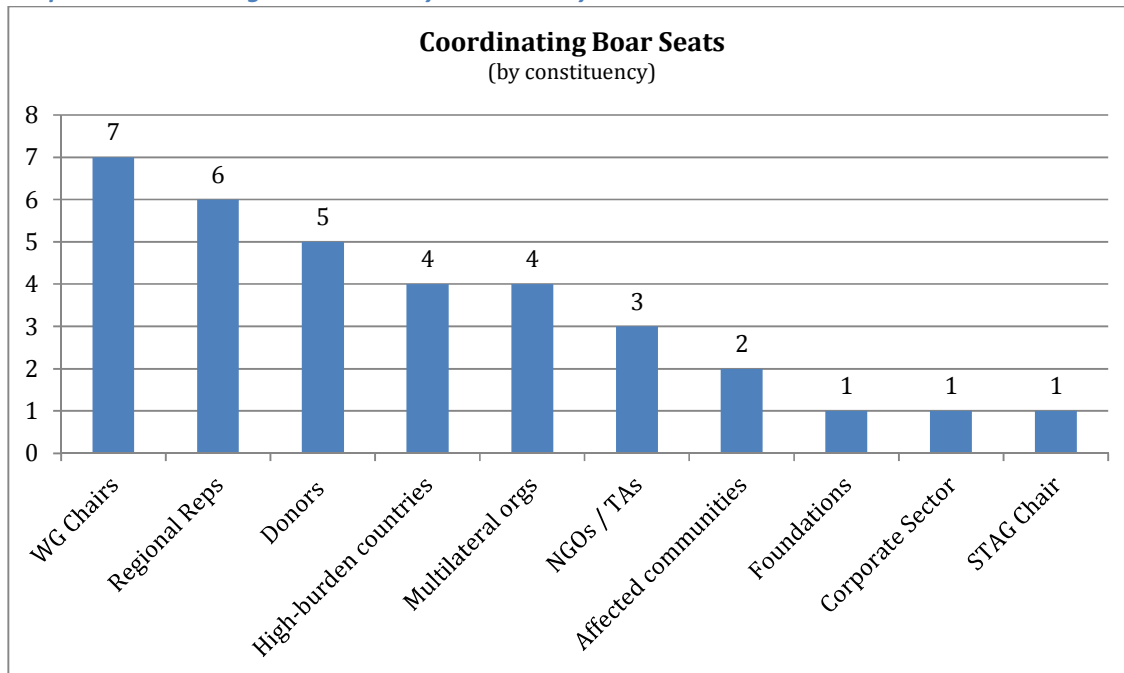
[3] These members could be termed 'strategic players', including e.g. high-level decision-makers, opinion shapers, existing and emerging TB and STBP funders, etc.
[4] See also FN above.

Of these 34 members:

- Six Coordinating Board members occupy a permanent seat (WHO, World Bank, GFATM, Union, CDC, WHO STAG Chair);[5]
- Nine hold 'ex officio' seats (i.e. the seat is guaranteed by holding another office. These are: WHO, WHO STAG Chair, 7 Working Group Chairs);
- Other members are elected/selected for a term of two years (renewable); and
- All constituencies and members hold voting rights.

Voting Rights Compared to Other Boards

Compared to boards of similar institutions, STBP has the only board on which all members and constituencies have a vote. All (34) STBP Board members hold a vote, whereas 21 out of 27 (i.e. 78%) in RBM do, 10 out of 12 (83%) in UNITAID, and 20 out of 28 (71%) at GFATM. There are thus more than three times more voting members on STBP's Board than on UNITAID's, and around 70% more than on RBM's and GFATM's boards (See Graph 2 below).

### Graph 2: Number of Voting and Non-Voting Board Members (STBP, RBM, UNITAID, GFATM)
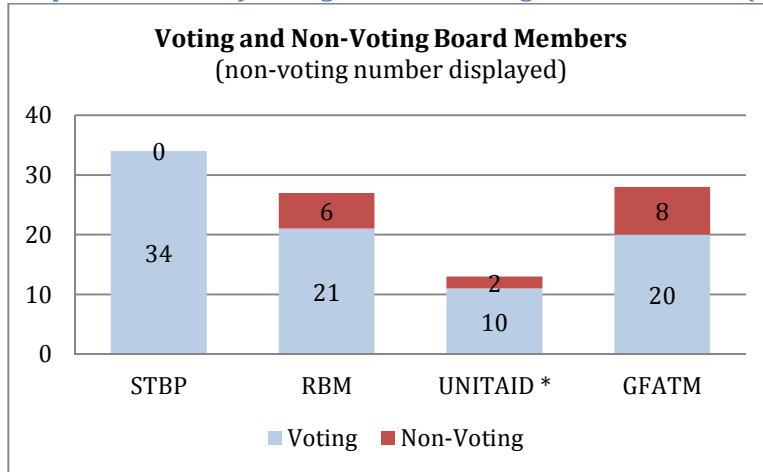
For UNITAID, if the Board Chairperson is internal to the Board, he is entitled to vote and hence the ratio changes from 10:2 to 11:1.

Board Size Compared to Other Boards

Comparing the Board's size to other boards shows that at present, STBP's board is one of the largest global health boards (STBP's board at 34 members is nearly three times larger than UNITAID's board; and over 20% larger than the second-largest board, GFATM) (See Graph 3 below).

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[5] See below on Rotation (non-permanent seats that have not rotated in practice).
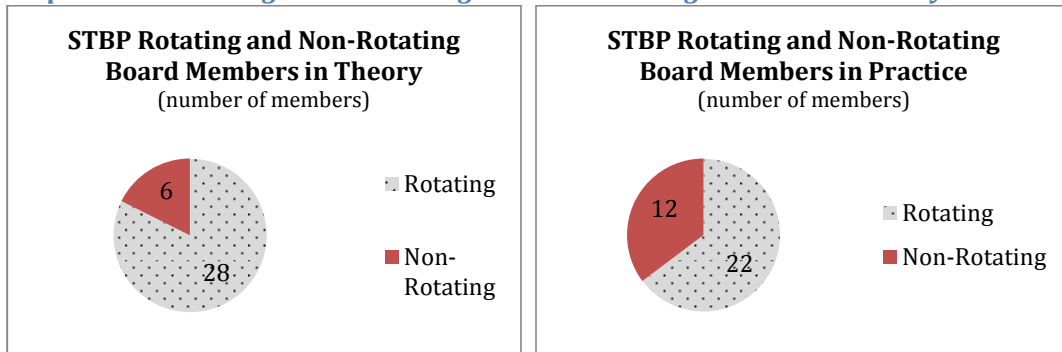
Graph 3: Size of STBP Board Compared to Other Institutions

Size of Board
(number of seats)

Institution	Seats
STBP	34
RBM	27
UNITAID	12
GFATM	28
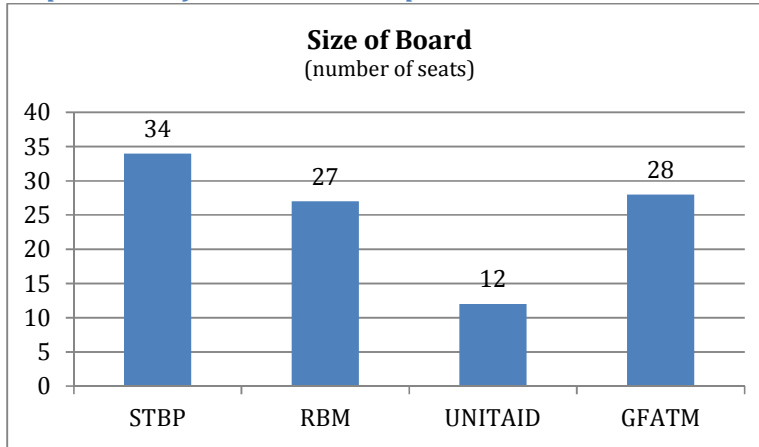
Rotation

Board membership rotation appears to be one of the least clear aspects of the Board's governance. Furthermore, rotation has not been implemented in several cases in practice. The result currently is that in addition to the 6 seats made permanent at the creation of the Partnership in 2001 (WHO, GFATM, World Bank, Union, CDC, STAG Chair) there are at least six additional de facto non-rotating seats (Gates foundation, USAID, Japan, CIDA, UK/NL[6], UNAIDS) (See Graph 4 below)[7].

Graph 4: Coordinating Board Rotating and Non-Rotating Members in Theory and Practice

STBP Rotating and Non-Rotating Board Members in Theory
(number of members)

Rotating: 28
Non-Rotating: 6

STBP Rotating and Non-Rotating Board Members in Practice
(number of members)

Rotating: 22
Non-Rotating: 12

3. ALTERNATIVE SCENARIOS

Following the brief overview above, this section provides an analysis of potential costs and benefits of two alternative scenarios for streamlining seats in order to increase effectiveness and efficiency: (1) changing the size of the Coordinating Board, and (2) changing membership types.

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[6] The UK and the Netherlands, however, share a 'stacked' seat, i.e. they rotate each meeting.
[7] The phenomenon of non-rotation in practice is not unique to STBP.

Changing the Size of the Coordinating Board

Over the past decade, STBP's overall membership has increased and new candidates have emerged (e.g. new donors, working groups, increased numbers of NGOs,[8] and evolving new partners), resulting in pressure to *increase* board membership. The Board on several occasions in the past years concluded a "no more seats" policy.[9] However, as several interviewees stated that the Board is "far too large",[10] ways to "better balance inclusion and effectiveness"[11] should be considered.

The *benefits* of changing the number of Board seats include:

- Increased efficiency and cost-effectiveness of Board meetings (including length of board meetings, time for strategic discussions, travel costs), if the size of the Board is reduced;
- Increased agility of the Board to function, lead, mobilize adequate resources, and deliver in a rapidly changing environment;
- Increased effectiveness of decision-making[12] and implementation, if membership is changed to include new 'strategic' partners; and
- Increased constituency representativeness and accountability, if membership is changed to take into account changes in STBP membership composition.

The *cost* of changing the number of Board seats include:

- The nature of the Partnership may become unclear, if e.g. longstanding members were to leave the Board (loss of institutional memory).

Changing Membership Types

A second question appears to be how to allow for the inclusion of 'strategic' new and emerging actors, while ensuring that the Coordinating Board can act efficiently and effectively. Following a comparison with other institutions, as well as interview findings, one option to optimize Board efficiency, while not sacrificing inclusiveness, could be to change the member's (1) rotation statuses and/or (2) voting rights.

(1) The first option is to make more seats non-permanent (i.e. rotating).

The *benefits* of this above option include:

- Constituency engagement and representation may increase, as Board candidates need to 'campaign' prior to elections and re-elections;
- Members who were defined 'permanent' a decade ago whose priorities may have changed, or are no longer able to play the same 'strategic' role, e.g. due to changes in funding priorities of countries / institutions can 'stack' with other members; and

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[8] There is one seat to represent member NGOs in the NGO / Technical agency constituency, and around 70% of STBP members identify themselves as NGOs.

[9] "No more seats, but persons behind each seat" (See Verbatim Report 2008, p.56, Chairperson Koek), or the Executive Committee's "indicated (…) wish to more fully develop the constituencies of the Board, rather than to increase its membership" (Minutes, Teleconference of the Executive Committee, 28 June 2010).

[10] Interview from September 2011 on the Review of STBP's Manual of Procedures. Already in 2008, the Board discussed that the "size of the board (should be) manageable and efficient." (Lazarri in Verbatim Report, p.2.)

[11] Interview from September 2011 on the Review of STBP's Manual of Procedures.

[12] See Secretariat mapping on increases in repetition of agenda items at consecutive Board meetings.

- Space is opened up on the Board for emerging 'strategic partners'.

The *costs* include:

- Longstanding members may potentially cycle off the board, resulting in the loss of institutional memory and valuable experience;
- A number of constituencies may find it difficult to find new (high-level and strategic) candidates; and
- Time and resource costs for elections increase, and the workload of the Secretariat and Board members increases.

(2) The second option is a model of *'stacked' seats***,** whereby some members that currently have a vote and direct seat at the Coordinating Board table are grouped together with other similar members (e.g. working groups, regional representatives, some donor seats, as is currently the case with UK / The Netherlands and one Northern / Southern NGO). The voting power and seat would rotate between the members of the stack. A new donor group, e.g. BRICS-countries, or a larger group for foundations or the corporate sector, could in this way be created. The number of voting members at the table (others could have an observer or alternate status at meetings) would therefore stay the same, or even decrease slightly.

Benefits of a 'stacked seat' model include:

- As not all Board members sit and vote at the meeting table (i.e. only the 'stacked group' representative does), the number of seats at the table decreases (depending on the size and number of 'stacked groups'), and space is opened for new members to join the board. If not too many new members are admitted, the Board size becomes more manageable and efficient;
- As only the then 'voting' member representing the stack votes at Board meetings (others can be alternates and observers at the meeting, and will become the 'voting' representative at one of the next meetings at their turn), meeting and decision-making efficiency is increased; and
- Board member coordination is increased, as 'stacked seat' partners coordinate their positions prior to meetings.

The *costs* of the 'stacked seat' model include:

- There is a risk that strong, strategic partners are stacked in a group with weaker, unmotivated members, and can only play a strong role if they are chosen to represent the group;
- The number of members in a 'stacked' group may be too large to be able to effectively coordinate their positions prior to meetings, resulting in back-tracking or lack of implementation after meetings;
- The number of 'stacked' groups may be too small to have any efficiency gains for the Board;
- The number of new potential members may be much larger than the reduction of 'voting' members at the Board table, resulting in inefficiency and ineffectiveness; and
- Decision-making processes and decisions taken by 'stacked' groups may be difficult for member constituencies and the general public to track, thus undermining accountability.

4. INITIAL IDEAS FOR OPTIMIZING BOARD CONSTITUENCIES

- **1: Re-evaluate the number of Coordinating Board seats:**

     i.   Reduce the overall number of seats from 34 to around 28 to ensure the agility and efficiency of the Board.

- **2: Change the status of more members from permanent to rotating:**
    i. Change the term times of rotating members to three years.
    ii. Allow for terms to be renewable once, then implement rotation.
    iii. Provide a case-by-case exemption from rotation for certain donors (see 3.iii below).

- **3: 'Stack' a number of seats:**
    i. Re-evaluate what "regional" means (e.g. to include regional groups such as SADC, OIC, AU, etc.) and reduce the number of Regional Representatives (from 6 to 3 board seats where feasible through 'stacking' seats, to remove potential duplication with High-Burden Countries).
    ii. Reduce the number of separate seats for Working Groups (from 7 to 2 by 'stacking seats', resulting in e.g. one group on Implementation and one group on R&D respectively).
    iii. Re-evaluate what "donors" means to include also non-state actors.
    iv. Increase the number of members on the current seats of foundations (from 1 to 2), and corporate sector (from 1 to 2).