

Meeting agenda

- **Our understanding of the situation**

- Options for Global Methane Fund structure
- Launch timeline and approach

The Global Methane Fund plans to reduce global warming through investments in methane abatement

- Methane emissions are **the second largest cause of global warming** after carbon dioxide, and methane abatement thus mitigates global warming
- Methane-to-Markets (M2M) initiative has generated a stream of projects within the Clean Development Mechanism (CDM), but **the number of active CDM projects has almost dropped to zero** in 2009 from app. 200 per quarter in 2007
- Key reasons identified are:
 - **Lack of available debt and equity financing** due to the credit crunch
 - **Decline of primary prices of Certified Emission Reductions (CERs)** by over 50% since mid-2008.
 - **Closing CDM window**
- The goal of the Global Methane Fund (GMF) is to **support rapid methane abatement** with a sustainable and complementary model
- GMF has asked Dalberg to provide a proposal for a structure for the fund, coinciding with the work of Point Carbon on the business model

Our understanding of the project financing proces

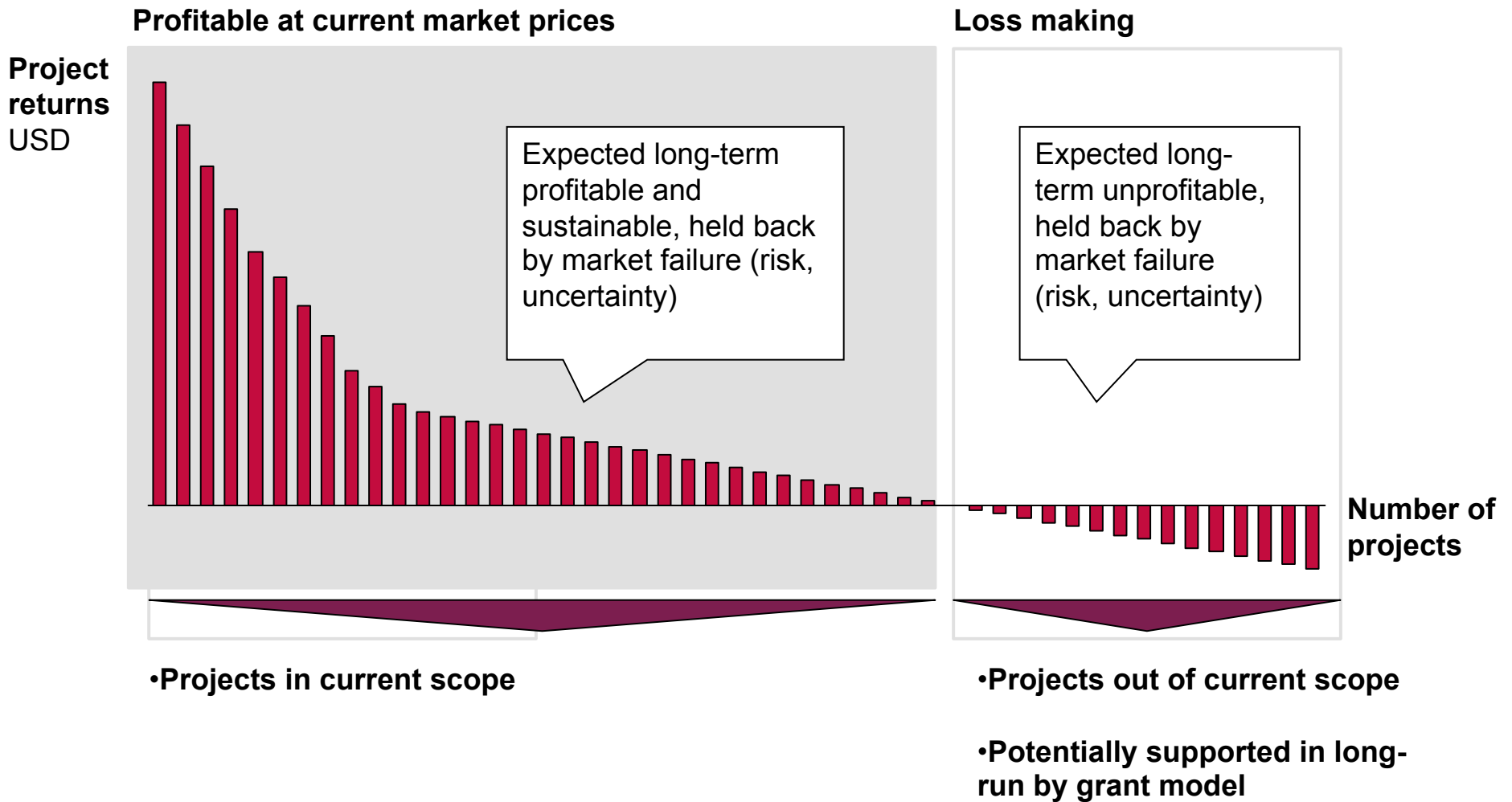
| Process | Who | Key observations / assumptions* |
|------------------------------------|-------------------|---|
| 1. Submits application | Project developer | <ul style="list-style-type: none"> • Current project is forward on carbon price • Potential to include alternative products, e.g., prepayment |
| 2. Determines carbon price | GMF | <ul style="list-style-type: none"> • Current estimated price of €11.5/ton • Carbon prices determined for tranches of projects |
| 3. Screens application | GMF | <ul style="list-style-type: none"> • Criteria include additionality and sustainability |
| 4. Creates forward contract | GMF | <ul style="list-style-type: none"> • Terms and conditions might differ per counter-party |
| 5. Develops and executes project | Project developer | <ul style="list-style-type: none"> • - |
| 6. Generates and sells CER credits | Project developer | <ul style="list-style-type: none"> • Project development risk carried by developer |
| 7. Settles forward contract | GMF | <ul style="list-style-type: none"> • GMF receives / pays entire difference between forward price and spot price |

Our understanding - GMF's will initially focus on sustainable, profitable projects that are held back due to market failures

ILLUSTRATIVE

Return on investments in methane abatement projects

■ Current focus



Our understanding of funding model

Key observations / assumptions*

Funding

- Initial reserve of carbon credit price guarantees of \$100 M - \$200 M
 - Operate based on guarantees, rather than on direct contributions (cash-in-hand)** , except to support administration (secretariat)
 - Funding from Governments, Multilaterals, NGOs, Private sector
 - Potential first-loss tranche for public investors to increase attraction for private sector investors
-

Collection

- Guarantees collected when CERs are issued, and if spot price is below forward price
- Contributions for secretariat / administration costs collected upfront

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Three elements comprise a fund structure and will be assessed for GMF

| Business model (not in scope) | |
|-------------------------------|---|
| Fund structure | Description |
| 1. Governance | The structure, size and decision-making process of the fund |
| 2. Organization | The internal organization, roles & responsibilities of the fund |
| 3. Fund location | The physical location of the fund |

Governance - summary

- The governance section deals with the questions of **representation, structure and decision-making** process
- Potential governance models should be evaluated on credibility, speed and cost
 - The governance model has the skills, resources to provide **credible and adequate oversight**
 - The governance model allows **fast but prudent decision making**
 - The **cost of the governance model** are in line with the required activities and involvement
- A set of **principles of good governance** can be defined for the GMF. These principles are based on best practices identified by the UN Governance and Oversight study and by the non-profit governance index
- A potential, exemplary, governance setup has been defined
 - 9 members, with donors in the majority, complemented with individual experts and recipients
 - Sub-committees for audit and pricing
 - High degree of financial literacy among members
- The governance structure should be **periodically evaluated**, as with the growth of GMF changes might be needed

Governance – key questions

| Topic | Descriptions |
|-----------------|--|
| Representation | <ul style="list-style-type: none">• What is the representation of GMF stakeholders and makes decisions?<ul style="list-style-type: none">• Who are the board members, and how are they selected?• What is the size of the board?• What are changes over time (rotation, evolution)? |
| Structure | <ul style="list-style-type: none">• What is the structure of the governance organs?<ul style="list-style-type: none">• Only a board, or also sub-committees?• Who would chair the structure? |
| Decision-making | <ul style="list-style-type: none">• What is the decision-making process?<ul style="list-style-type: none">• Does the board vote or decide by consensus?• How are voting rights allocated? |

Governance – examples

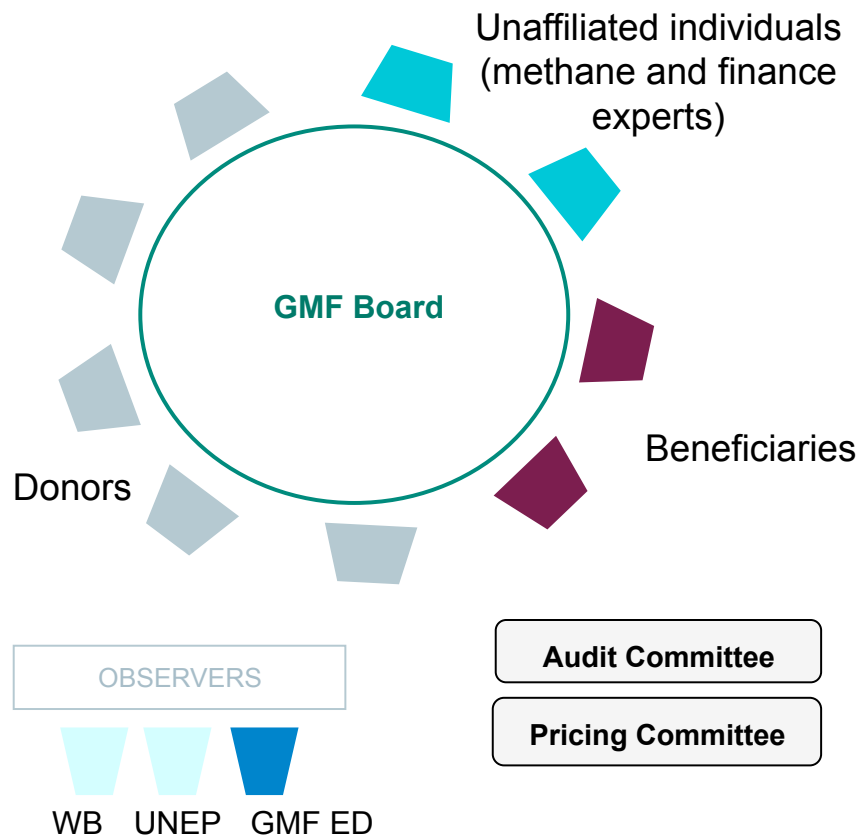
| | <u>GAVI Foundation</u> | <u>TCX investment fund</u> | <u>World Bank Group</u> |
|-----------------|---|---|---|
| Representation | <ul style="list-style-type: none"> • 28 members¹ • Balance between donors and recipients • 9 independent experts | <ul style="list-style-type: none"> • Annual shareholder meeting • 5 members in executive board (only shareholder representatives) | <ul style="list-style-type: none"> • Executive Board of 24 members • Board of Governance with all donors / members |
| Structure | <ul style="list-style-type: none"> • Six standing committees (e.g. audit, investment) • 3 Physical meetings, 3 teleconferences per year • Committees meet up to 8 times a year (mostly teleconference) | <ul style="list-style-type: none"> • Five committees (remunerations, pricing, ALCO, compliance, donors) | <ul style="list-style-type: none"> • Executive members meet twice a week • Five standing committees (e.g. audit, budget) • Board of governance meets once a year |
| Decision-making | <ul style="list-style-type: none"> • One member, one vote | <ul style="list-style-type: none"> • Voting rights proportional to shareholdings | <ul style="list-style-type: none"> • Voting rights proportional to share capital / investment |

1. Six key principles will inform GMF's governance structure

| | <u>Principles as applied to GMF</u> | <u>Implications</u> |
|--|--|--|
| Credible and adequate oversight | <ul style="list-style-type: none"> • Governance should provide adequate oversight on all areas (from risk management to climate change politics) • Governance must reduce perceived risk of donors and recipients • Incorporation of views of all relevant stakeholders | <ul style="list-style-type: none"> • Combined expertise in all domains • Requirements of financial literacy for all • Audit and pricings committees with expert knowledge • Representation of beneficiaries, donors and government, with staggered rotation • Periodic evaluation of the governance structure |
| Speed in decision making | <ul style="list-style-type: none"> • Rapid decision-making is needed, especially in start-up phase (on e.g. price floors) • Prudency required with regards to risks and exposure | <ul style="list-style-type: none"> • Small board of no more than 7-11 members • Frequent meetings (4-6 times per year), both in-person as virtual • Clear guidelines on board document preparation • Majority of donors / investors in board |
| Cost | <ul style="list-style-type: none"> • Costs are aligned with required functions and responsibilities | <ul style="list-style-type: none"> • Small board of no more than 7-11 members • Part of board meetings virtual • No compensation beyond incurred costs |

1. An example governance structure has a small, representative board using the proportional representation vote allocation model

Principles as applied to GMF



Implications

- 9 members, 3 observers, with donors/ investors in majority
- Audit committee and pricing committee, each with 3 members (2 donors, one independent expert)
- Staggered rotation in 3 year terms
- 6 board meetings per year in first two years, 4 per years afterwards. Half of board meetings are virtual
- Aim to have decisions by consensus with vote as a last resort.
- Larger donors will have individual seats, multiple smaller donors will be represented by one seat

Summary – Organizational design

- This section deals with the questions of **roles & responsibilities, structure and associated costs** for the GMF and its partners
- Potential governance models should be evaluated on credibility, speed and cost
 - The model is **credible** to donors and recipients, and reduces perceived risks
 - The GMF can be created in the **near future**
 - The GMF Secretariat is **nimble, cost effective**, and leverages existing partners
- Recommendation to outsource most activities in the project cycle (identification, assessment, contracting) as well as in fund administration and risk management
- Two potential organizational structures are suggested, that have a different balance between credibility, speed and size. The final decision will depend as well on the final business model, founders' preferences and availability of outsource partners
- We assume that, with outsourcing of key financial activities, GMF does not require registration as a financial institution

“Credibility”, “Speed to set up and deliver” and “Collaboration” should inform GMF’s organizational design

Credibility and Risk Management

- Perceived credibility by donors and counterparts will be required to attract sufficient funding and projects.
- Credibility enhanced by a structure that places risk (management) with those parties with the greatest credibility (e.g. credit rating, reputation) and skills
- Higher credibility will lead to higher organizational flexibility, as it will be easier to expand activities and make organizational changes at a later stage

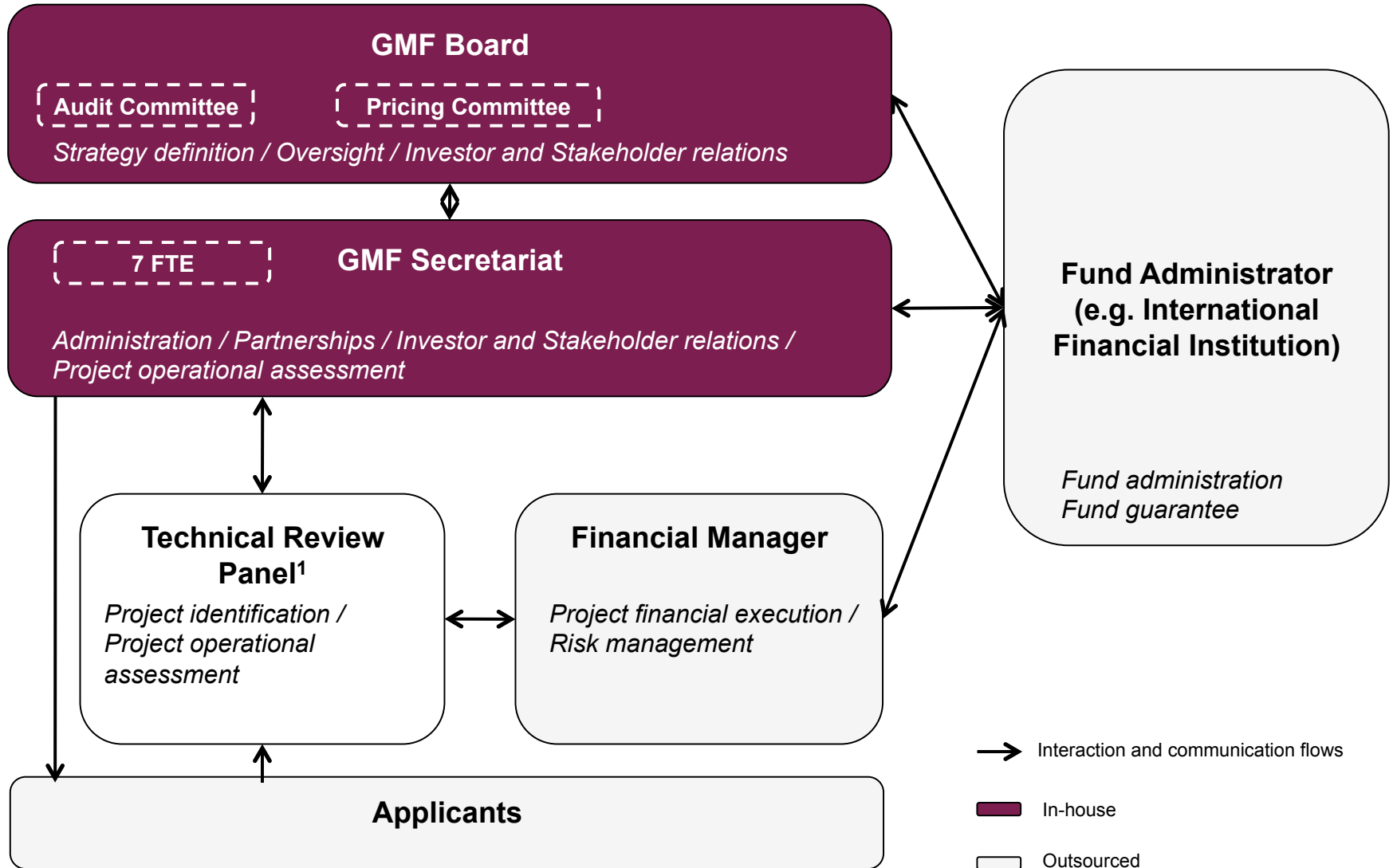
Speed in set up and delivery

- Reduced implementation time will allow greater impact (earlier abatement) and earlier showcasing of success
- Implementation time will depend on possible leverage of external partners, size / responsibilities of new GMF Secretariat
- Speed in delivery will depend on the number of external partners, and the challenges in coordination

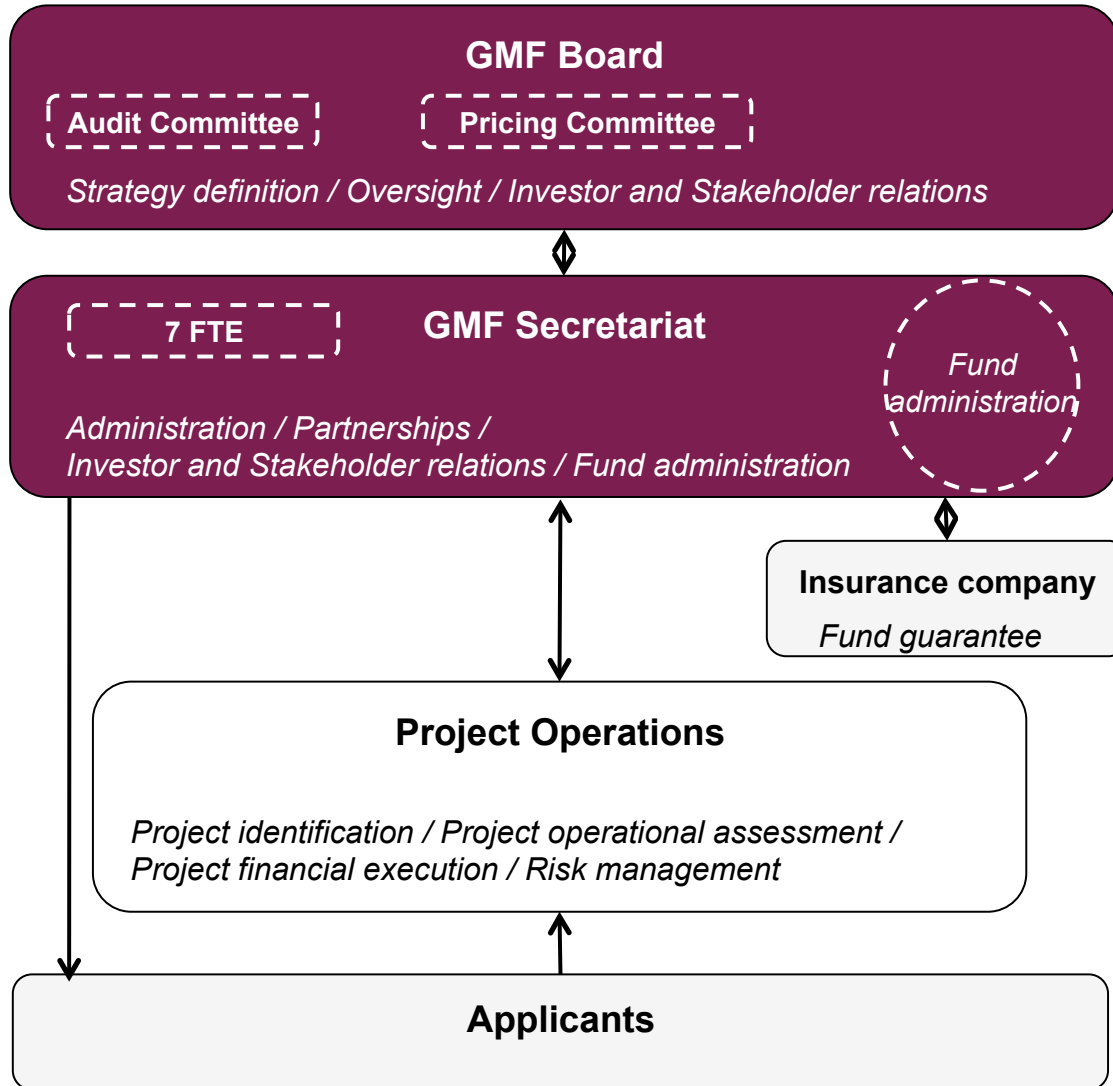
Cost and Collaboration

- Collaboration with existing institutions will avoid duplication of functions, reduce costs and increase acceptability by donors

Potential Model A focuses on credibility and flexibility



Model B will be quicker to implement (fewer partners, no project activities), but might be perceived as higher risk



Model B's main differences

- The Secretariat administers GMF's funds
- The funds are guaranteed through a financial insurance
- Operational assessments, financial execution, and risk management are outsourced

→ Interaction and communication flows

■ In-house

□ Outsourced

2. We have designed GMF's potential organizational models

Model A

**Emphasizes credibility,
increases time to set up and deliver**

High credibility and risk management

- Independent fund administration (donor default guarantee)
- Dual project evaluations

Increased time to launch

- Contracting with numerous external parties

Increased delivery time

- Dual project evaluations
- Multiple parties involved in disbursements / financial transactions

Model B

**Reduces credibility, improves
times to set up and deliver**

Potentially lower perceived credibility

- Internal fund administration
- Financial insurance against donor default guarantee
- No involvement in project operational and financial assessments

Reduced time to launch

- Contracting with only external party

•Reduced delivery time

- Fund administration performed internally
- Operational and financial decisions are fully outsourced

GMF's business model (especially regarding funding) and founders' preferences will be key to decide the final organizational design

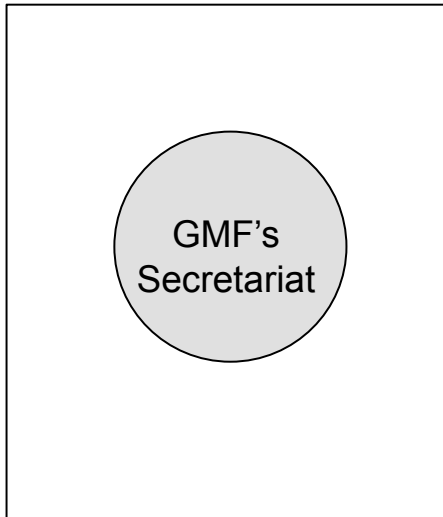
Three options for a financial model to cover GMF's administration costs have been identified

■ Recommended option

| | Self-financing through premium forward | Charge a fixed management fee | Separate funding raised from donors |
|--------------------|---|--|--|
| Description | <ul style="list-style-type: none"> • GMF covers administration costs by charging fee on profitable forward contracts, i.e., when forward price is below market price | <ul style="list-style-type: none"> • GMF covers administration through management fees on capital employed | <ul style="list-style-type: none"> • Donors cover administration costs through separate budget / fund-raising |
| Pros | <ul style="list-style-type: none"> • Fund is self-sustained and can continue operations regardless of donors' contributions • For-profit orientation bring internal discipline to the team and sense of risk management | <ul style="list-style-type: none"> • Fund is sustainable over time regardless of profits from operations | <ul style="list-style-type: none"> • Fund can focus efforts on projects with higher impact, regardless of profitability • Market fluctuations cannot cause fund bankruptcy |
| Cons | <ul style="list-style-type: none"> • Bankruptcy risk due to carbon markets fluctuations | <ul style="list-style-type: none"> • Can lead to excessive or insufficient budgets to run Secretariat over time | <ul style="list-style-type: none"> • Fund continuity depends on donors' support • Increases risk for counterparties |

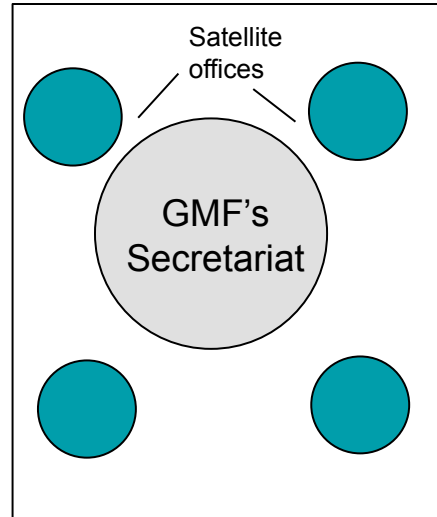
Three alternative location models

Centralized



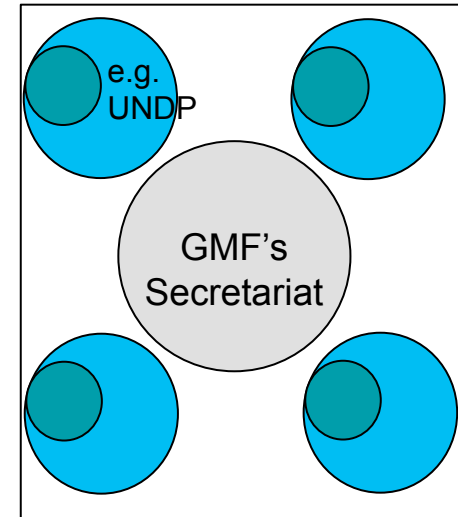
- GMF physical presence limited to the Secretariat
- No local representation in recipient countries

Hub and spoke



- Centralized GMF's Secretariat
- Satellite offices in biggest recipients countries

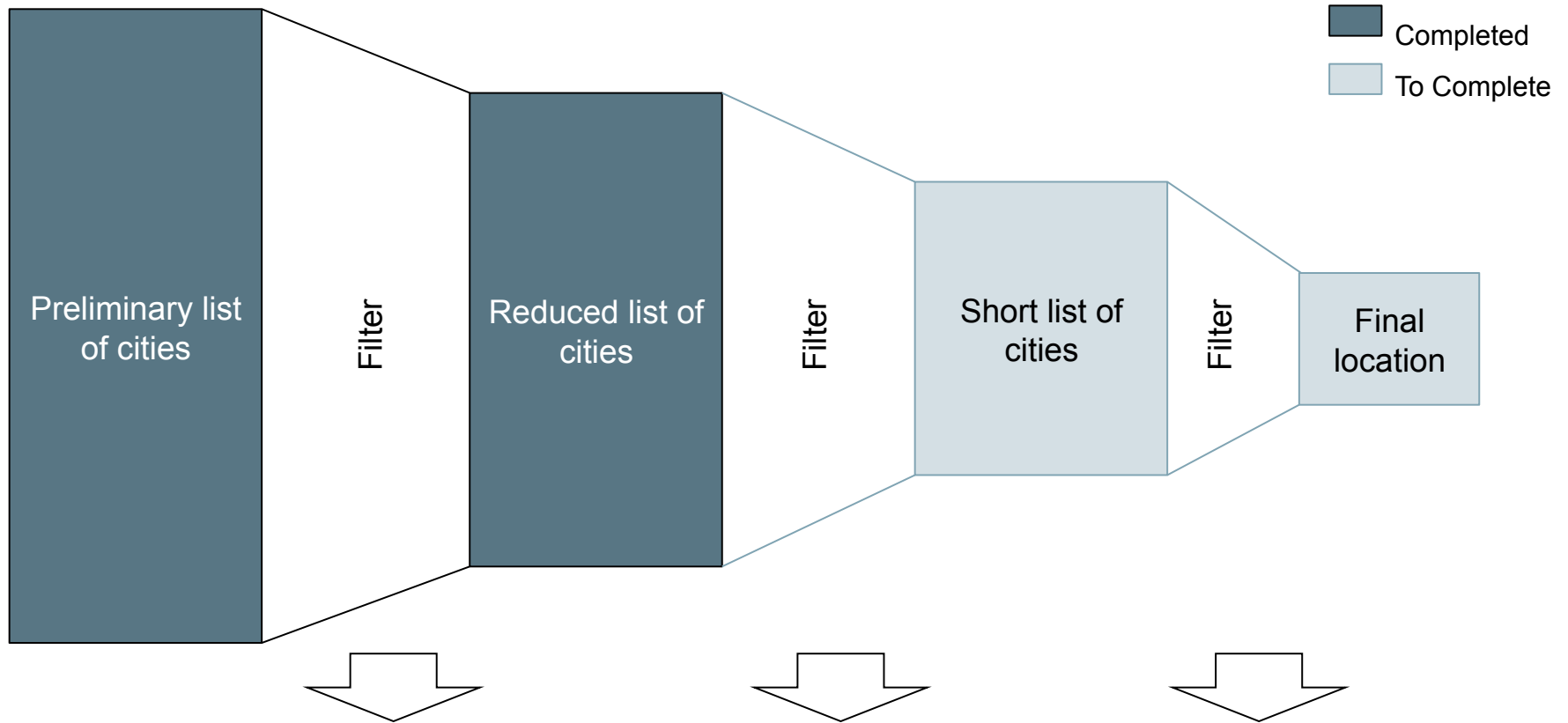
Decentralized hosting



- Centralized GMF's Secretariat
- Local offices in biggest recipients countries, hosted by existing international UN agencies (e.g. UNDP)

| | | | |
|-------------------------------------|-----|------|---------------|
| Operational costs | Low | High | Medium |
| Control on GMF's investments | Low | High | High / Medium |

3. A three tier filter process proposed to identify the final fund location



General Fit

Filter Criteria

- Size of financial system
- Size of carbon market
- Proximity to recipients
- Presence of multilateral partners

Operating Environment

- High-level legal framework
- Taxation
- Cost of operations

Detailed Analysis

- Detailed financial assessment
- Operational subsidies
- Taxation advantages

Meeting agenda


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- **Launch timeline and approach**

Potential to grow in the medium term by taking on more risk

 GMF's choice

Launch and scale-up ambition for GMF

| | 2010 | 2012 | 2014 |
|------------------------|--|---|--|
| Ambition | Narrow activity focus, focus on risk management and sustainability | Broaden investment target and gradually assume more risk, while still being financially sustainable | Include unprofitable projects to cover all projects not served by the market |
| Financing model | Forward contract model - settlement upon expiration | Inclusion of prepayment option | Grant and soft-loans to stimulate additional projects |



Expansion over time will increase the overall impact (methane projects stimulated), but will have consequences for sustainability.

Annex

Overview of GMF's activities

| | | |
|------------------------|------------------------------------|--|
| Strategy and oversight | Strategy definition | <ul style="list-style-type: none"> • Define strategy and business model |
| | Oversight | <ul style="list-style-type: none"> • Monitor GMF's impact on methane abatement. Set objectives • Assess GMF's risk exposure and undertake hedging strategies |
| Project –lifecycle | Project identification | <ul style="list-style-type: none"> • Identify methane projects within the strategy guidelines |
| | Project operational assessment | <ul style="list-style-type: none"> • Assess overall economic and operational project feasibility |
| | Project financial execution | <ul style="list-style-type: none"> • Determine the required floor price for each project • Create financial contracting with counterparties • Assess impact on balance sheet from each contracted derivative position |
| Financial management | Fund administration | <ul style="list-style-type: none"> • Holds fund and revenues, control disbursement |
| | Fund guarantee | <ul style="list-style-type: none"> • Provide capital guarantee in case GMF's donors defaulted |
| | Risk management | <ul style="list-style-type: none"> • Assess and hedge overall risk exposure, • Understand evolution of carbon markets and prices (market intelligence) |
| Internal management | Administration | <ul style="list-style-type: none"> • Perform activities to support Secretariat (IT, Procurement, Human Resources and Accounting) |
| | Partnerships | <ul style="list-style-type: none"> • Support GMF's interaction with external agents • Monitor projects registry and compile information for reporting purposes |
| External management | Investor and Stakeholder relations | <ul style="list-style-type: none"> • Fund-raising • Impact reporting and communication to all stakeholders • Support of governance bodies |

There is potential for GMF to outsource several activities

Key principles for the outsourcing decision

1 Standardization vs. customization

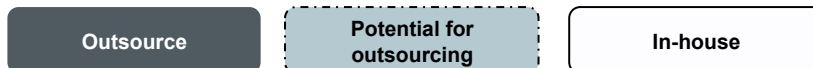
- Outsource activities that can be provided by external players at lower costs due to economies of scale and specialization (standardized)
- Keep activities that are specific to the GMF (customized)

2 Coordination and Dependency

- Keep in-house activities that could cause full dependency to other parties (lock-in)
- Keep in-house those activities that need to be closely coordinated with other internal processes
- Evaluate carefully the impact of the outsourcing decision on the fund's financial and operational risk

Potential for outsourcing

| | |
|--------------------------------|---|
| Strategy definition | • Specific to GMF |
| Oversight | • Partially outsourcable (e.g. auditors), but internal function needs to remain |
| Project identification | • Existing expertise in market |
| Project operational assessment | • Existing expertise in market, although partly GMF specific |
| Project financial execution | • Existing expertise and skills in market. Requires oversight |
| Fund administration | • Existing expertise and likely greater credibility in market. |
| Fund guarantee | • Existing expertise and likely credibility in the market |
| Risk management | • Existing expertise and greater credibility in market. Requires oversight |
| Administration | • Partially outsourcable (de-facto hosting) |
| Partnerships | • Specific to GMF |
| Stakeholder management | • Specific to GMF |



Best practices in not-for-profit governance

BACKUP

| Recommendation | Experience* |
|--|---|
| <ul style="list-style-type: none"> • Include methane, financial and legal expertise on the board | <ul style="list-style-type: none"> • 89% of boards have financial expertise, 76% have the organisation's field expertise and 69% have legal expertise |
| <ul style="list-style-type: none"> • Keep the fund small and in line with the size of the fund | <ul style="list-style-type: none"> • 47% of boards have fewer than 15 members • 'A smaller board is better than a larger, less committed board' – Chief Executive • Organisations with larger budgets tend to have larger boards |
| <ul style="list-style-type: none"> • Limit the number of board terms of an individual | <ul style="list-style-type: none"> • 65% of boards limit the number of consecutive board terms to between one and three terms, with 43% allowing two terms • 70% of boards have a term of 3 years |
| <ul style="list-style-type: none"> • Design comprehensive conflict of interests and ethics policies | <ul style="list-style-type: none"> • 88% of not-for-profits have a conflict of interests policy and 69% have a statement of ethics |
| <ul style="list-style-type: none"> • Ensure external auditing of financial statements | <ul style="list-style-type: none"> • 92% of organisations have an external financial audit |

Good Governance & Oversight Principles

Principle 1: Governance - Strategy, Planning and Monitoring

1.1. The board/governing body should ensure the **strategic guidance** of the entity, guide effective and efficient **resource allocation**, and ensure the **effective monitoring** of the organisation including its management.

1.2. Strategic objectives reflect the board's strategic choices as to how the entity will seek to **deliver value** for its stakeholders.

1.3. **Governance principles**, core values, risk appetite, and risk management philosophy are captured in policy statements, oral and written **communications, decision making and working practices**.

Good Governance & Oversight Principles

Principle 2: Governance - Board and Committee Structures

- | |
|---|
| <p>2.1 In the interest of efficiency and effectiveness, the board can <i>delegate authority</i>, without avoiding ultimate responsibility, to sub-committees of the board by ensuring they have the necessary expertise and independence.</p> |
| <p>2.2 The Board may assign responsibility to management or to committees of key functions including <i>budget/finance, resource allocation, evaluation, risk management, compliance, ethics and audit</i>, together with the authority and independence to provide effective governance checks and balances</p> |
| <p>2.3 To be able to exercise independent judgment, the board and any sub-committees acting on behalf of the board will be comprised of at least a majority of <i>non-executive representatives</i>.</p> |

Good Governance & Oversight Principles

Principle 3: Governance - Transparency and Disclosure

3.1 The governance framework should ensure that ***timely and accurate disclosure from management to the board*** is made of all material matters regarding the organization, including the financial situation, performance, and governance.

3.2 The governance framework should ensure that ***timely and accurate disclosure from the board to the public*** is made of all material matters regarding the organization, including the financial situation, performance, and governance

3.3 Individuals' (board and organisation) should be required to ***disclose personal financial matters*** to avoid conflicts of interest

3.4 The board and management demonstrate ***probity in the conduct of their activities***

Good Governance & Oversight Principles

Principle 4: Governance - Social/Ethical Environment

4.1 The entity's core values and standards of behaviour reflect ***integrity and ethical values***. Ethical values not only are communicated but also accompanied by explicit guidance regarding what is right and wrong.

4.2 Integrity and ethical values are ***communicated by example through management actions***. Management provides specific and directed communication addressing behavioural expectations and responsibilities of personnel.

4.3 Mechanisms encourage employee reporting or ***whistle-blowing*** of suspected violations.

4.4 ***Appropriate disciplinary procedures*** are applied to employees who violate the code.

4.5 The governance framework should ensure the equitable treatment of all stakeholders. All stakeholders should have the opportunity to obtain ***effective redress for violation of their rights***.

Good Governance & Oversight Principles

Principle 5: Governance - Human Resource Management

5.1 Competencies of the board and senior management reflect the **knowledge and skills** needed to perform assigned tasks.

5.2 The board should ensure that **compensation policies and practices** for governing body members and management are consistent with the organization's culture, long-term objectives and strategy, and control environment.

5.3 The board and senior management should conduct appropriate **succession planning**.

Good Governance & Oversight Principles

Principle 6: Oversight – Audit, Risk Management and Compliance

6.1 The board and senior management should effectively utilise the work conducted by the ***internal audit function and external auditors***.

6.2 The internal and external audit functions should be able to exercise ***independent objectivity and judgment at all times***

6.3 The board ensures that management determines, through a combination of ongoing ***monitoring*** activities and separate ***evaluations***, whether the functioning of oversight and organization wide risk management continues to be effective.

6.4 The board and management should consider the observations and insights of stakeholders that may enhance ***organization wide risk management, compliance, and internal controls***.

Sources for corporate governance best practices

| Country/Organisation | Public Sector | Private Sector |
|--------------------------|--|--|
| Basel Committee | | Enhancing corporate governance for banking organisations (Feb '06) |
| Commonwealth Secretariat | Governance for the C21st (1998) | |
| European Union | Financial regulation of the EU (Jun '02) Charter of the internal audit service (Oct '00) European Governance – White Paper (Jul '01) | Proposed directive concerning the annual accounts ... and consolidated accounts (Oct '04) Comparative study of corporate governance codes relevant to the European Union and its member states (Jan '02) Governance Forum – clarification on 'comply or explain' principle (Mar '06) |
| IFAC | Study 13 - Governance in the public sector (Aug '01) | Enterprise governance – getting the balance right (Feb '04) Guidance for the development of a code of corporate conduct ED (Feb '06) |
| OECD | | Principles of corporate governance (2004) |
| Treadway Commission | | Enterprise Risk Management Integrated Framework (Sep '04) |
| PwC | PwC & NAO - Building Public Trust Award criteria | Best Practice corporate governance reporting (Dec '05) Internal Audit in Control Survey (Jan '06) |
| Other | | Bob Garrett – A Fish Rots from the Head (1996) Heidrick and Struggles – Corporate governance in Europe survey (Dec 2005) |

Sources for corporate governance best practices

| Country/ Organisation | Public Sector | Private Sector |
|--------------------------|--|---|
| Australia | Public sector governance guidance papers 1-8 (2003) The Uhrig Report (Jul '03) | Australian Stock Exchange Corporate Governance Council (Mar '03) |
| Canada | Royal Commission on Public Sector governance and behaviours Institute on Governance – The new rules of the board game ... for multi-lateral development institutions (Feb '04) | CICA – 20 questions series on governance and related issues (2003) Canadian Securities Administrators – corporate governance practices and guidelines (Apr '05) Toronto Stock Exchange – guidelines to good disclosure |
| France | Rapport Barbier (Feb '03) Loi Organique Relative aux Lois de Finances (2001) | Rapport Bouton (Sep '02) |
| Germany | Ministry of the Interior - Modernisation of the German State (2005) | German Corporate Governance Code as amended (Jun '02) |
| Japan | National Public Service Ethics Board - guidance | Tokyo Stock Exchange – principle of corporate governance Corporate governance forum – revised 14 principles H Itami paper - Revision of the commercial code and reform of Japanese corporate governance (2002) |
| South Africa | Public Finance and Management Act – Treasury Regulations (1999) | The King code of corporate practices and conduct (Mar '02) |
| UK | HMT - Corporate governance in central government departments (Jul '05) The good governance standard for public services (Dec '04) HMT - Orange Book (Oct 04) NAO - State Audit in European Union (Dec '05) | The combined code on corporate governance (Jul '03) |
| USA | Report to Congress – Strengthening transparency, governance, accountability of charitable organisations (2005) Comptroller General – A framework for strengthening government sponsored enterprises governance and oversight (2004) Office of Management and Budget – Revisions to OMB circular A-123, Management's responsibility for internal control (2004) | Institute of Internal Audit – Corporate governance and the board What Works Best (1997) Institute of Internal Audit – Audit Committees What Works Best (3 rd Edition) NYSE – Corporate governance rules section 303A (Nov '04) |

Multi Donor Fund for Indonesia

Non-Rotational, Member Heavy Model

- Voting board member size: 76
- Rotation: 0%
- Fund size: approx. \$128 m per annum
- Beneficiary representation: 12%
- Donor representation: 88%

- Terms on board = the duration of the fund or life
- Any donor who gives more than \$10m is given a seat on the board
- 2 non voting observers from an NGO and UN

Roll Back Malaria

<http://rbm.who.int/mechanisms/constituencies.html>

2 Year Rotation Model

- Voting board member size: 25
- Rotation: 100%
- Fund size: approx. \$10m per annum
- Beneficiary representation: 52%
- Donor representation: 20%

- Rotation with one potential renewal
- 4 non-voting ex-officio members
- Constituencies determine rotation of individuals
- No 'independent' members

Multi-donor Trust Fund for the Sudan

www.mdarfsudan.org/

Observer Heavy, Complex Model

- Voting board member size: 11
- Rotation: 25%
- Fund size: approx. \$100m per annum
- Beneficiary representation: 45%
- Donor representation: 55%

- 125 observers from the consortium, government, donors, UN and the World Bank
- Three tier, complex governance structure catering both for the North and the South

GAVI Alliance

<http://www.gavialliance.org>

Rotational Hybrid Model

- Voting board member size: 30
- Rotation: 87%
- Fund size: approx. \$300m per annum
- Beneficiary representation: 27%
- Donor representation: 30%

- 4 permanent held by WHO, UNICEF, WB, Gates
- Seats are for 3 years and renewable once

Millennium Promise

<http://www.millenniumpromise.org/>

'Local Ownership' but Little Con. Representation

- Voting board member size: 26
- Rotation: 100%
- Fund size: approx. \$50m per annum
- Beneficiary representation: 7.6%
- Donor representation: 50%

- Minimum of 15 and maximum of 35 board members
- Rotation structured as 1,2 and 3 year rotation seats, approximately equally allocated among board members
- 1/10 members represent quorum

Global Alliance for Improved Nutrition

2 year rotational model, renewable once

- Voting board member size: 17
- Rotation: 100%
- Fund size: approx. \$20m per annum
- Beneficiary representation: 18%
- Donor representation: 30%

- Consensus and then by a vote (simple majority)
- Membership reassessed by a chair
- Observers requested to give input – may not intervene otherwise

Investment Climate Facility for Africa

Lean Board but Little Beneficiary Representation

- Voting board member size: 11
- Rotation: 75%
- Fund size: approx. \$65m per annum
- Beneficiary representation: 0%
- Donor representation: 48%

- Very little beneficiary representation
- Directors serve for an initial term of two years. Thereafter, one third of the Directors must retire at each AGM. Retiring Directors who remain qualified may be reappointed.

CAADP MDTF

<http://www.donorplatform.org>

Representative, flexible structure

- Voting board member size: 7
- Rotation: 87%
- Fund size: approximately \$15m per annum
- Beneficiary representation: 71%
- Donor representation: 29%

- Consensus decision making
- Three observer seats
- Chairmanship permanent