

**First Report of the High Level Group on
the Governance Arrangements of the Commonwealth Secretariat
to
Commonwealth Foreign Affairs Ministers**

I INTRODUCTION

This report from the High Level Group (HLG) is submitted as a First Report to Commonwealth Foreign Affairs Ministers ahead of their meeting on the margins of the United Nations General Assembly on the 27th September, 2018 in accordance with the decisions of Commonwealth Heads of Government at the recent CHOGM in April. The Report identifies the main findings of the Group based largely on consultations with a broad range of stakeholders including Commonwealth foreign ministers and members, accredited and/or associated organizations, beneficiaries of the Secretariat's programs, and Secretariat staff; and, outlines the Group's recommendations for addressing these. Other governance arrangements of the Secretariat, or other governance concerns tabled by stakeholders not addressed in this report will be addressed in a subsequent report.

II BACKGROUND AND OBJECTIVES

The main objective of the current review exercise by the High Level Group is to update and clarify the governance arrangements of the Commonwealth Secretariat "to ensure that they are streamlined and integrated in order to improve oversight, efficiency and transparency in a rapidly changing international environment." In short, this involved assessing the effectiveness of the current governance provisions with a view to identifying and redressing gaps and weaknesses in those arrangements; and evaluating the practicality and stability of the Secretariat's various funds. The review has also provided an opportunity for the HLG, in response to requests from Members, to articulate draft guidelines and protocols for selection and recruitment of the Secretary-General.

III MAIN FINDINGS

This review by the High Level Group yielded several findings. Foremost amongst these is the urgent need for the governance structure of the Commonwealth Secretariat to be adapted in order to meet the ever growing demands upon it, and to ensure that it is able to operate effectively and work well with, and serve, all branches and agencies of the modern Commonwealth family and network going forward. There is also an immediate need for redressing the lack of clarity in policy and priorities; for the Secretariat to be more transparent and accountable to stakeholders; for Secretaries-General to be empowered to lead and drive the operations of the Commonwealth; and for the funding of the Secretariat to be placed on more stable and predictable footing. More specifically, it is necessary to clarify that the Secretariat is accountable for implementation of mandates and strategic objectives; for the reporting requirements of the Secretariat to be strengthened and for systems of disclosure and transparency in reporting to be regularized; for clarifying the roles of both the Board of Governors and of the Executive Committee; and for diversifying sources of funding while strengthening funding practices.

Governance Structure

There is an urgent need for the governance structure of the Commonwealth Secretariat to be adapted to reflect the increasing demands placed upon it – i.e. for a more adequate governance model to be adopted. There is broad agreement, if not consensus, that the

Commonwealth Secretariat continues to play a vital role as an actor in international matters and with considerable convening power; and, also that there is a strong sense of shared values across a vast and growing grassroots, civil-society and non-governmental Commonwealth network with which it needs to coordinate and work far more effectively in delivering Commonwealth objectives'. At the same time, the myriad challenges facing Commonwealth member governments and peoples have shifted and continue to change, and this has raised deep concerns about the adequacy of the current governance structures to meet the ever growing demands upon the Secretariat, and its ability to operate effectively in the age of revolutionary communications technology and the entry of the digital age into every sphere of existence, both domestic and international.

Accountability and Transparency

There is a pressing need for the Commonwealth Secretariat to achieve better levels of accountability and transparency. The Secretariat is currently struggling with competing and increasing demands for accountability. The current Secretary-General has implemented a series of reforms endorsed by Foreign Ministers in their last meeting in New York. DfID undertook an organizational review of the Secretariat, and has recently revised its rating of the Secretariat from a 'C' to an 'A' class organization in terms of systems, programming, delivery, transparency and results. Notwithstanding, the Secretariat continues to be faced with demands for increased accountability across and throughout the organization and for better access to organizational decision-making and the use of better reporting mechanisms.

Roles and Responsibilities of the Board of Governors

There is need for better clarity around the roles and responsibilities of the Board of Governors (BoG). Specifically, there is a need for clarifying its policy-making functions; for enhancing the means by which organizational results will be measured; for clarifying the guidelines for convening extra-ordinary meetings of the BoG; and for ensuring that the overall strategic direction and priorities of the organization are aligned with and respond to the challenges the Commonwealth is facing today.

Responsibilities of the Executive Committee

There is need for better clarity around the roles and responsibilities of the Executive Committee (ExCo). This involves establishing that the ExCo will be comprised of member's representatives appointed to the Board of Governors; and to allow for the Chair of the BoG to serve as the Chair of the ExCo. The ExCo has an important role to play in the overall governance of the Commonwealth Secretariat, in particular as regards providing leadership and advice, as well as acting in a decision-making capacity on behalf of the Board of Governors in between its annual meetings.

Funding

There is a serious and urgent need to place the funding of the Secretariat on more stable and predictable footing; and also to diversify the sources of funding. The Secretariat is currently being asked to deliver on too many mandates with insufficient funding; current funding arrangements are not aligned with the seemingly ever expanding mandate of the organization and are not sufficiently diversified; and members are not meeting their financial obligations to the Secretariat in a way that makes it possible to plan feasibly and or to implement initiatives effectively.

Recruitment and Selection of Secretaries-General

There is a need for establishing more comprehensive guidelines for recruitment and selection of Secretaries-General, for strengthening the guidelines relating to the renewal of appointments of Secretaries-General, and to adjust related arrangements for the post of Deputy Secretary-General (DSG) to provide for the appointment of one DSG. The current guidelines for appointment of Secretaries-General need strengthening to ensure that appointments are based on merit. The guidelines for renewal of appointments of Secretaries-General also need to be strengthened to ensure that this is done on the basis of performance. Finally, there is also an urgent need for at least one Deputy Secretary-General to be appointed.

IV KEY RECOMMENDATIONS

Based on the findings under the six governance areas above, the High Level Group proposes the following twenty-four recommendations:

A. Governance Structure

The Commonwealth Secretary-General is appointed by Head of Government and presents the biennial performance report of the Commonwealth System to them at CHOGMs. S/He is responsible to convene CHOGMs; Ministerial meetings; provide briefings to CMAG; lead the Good Offices works; appoint Commonwealth Election Observations Missions and represent the entire Commonwealth on behalf of Heads of Government. S/He is empowered to perform these roles on behalf of Heads of Government for the collective interest of the Commonwealth and without any interference and influence. For these matters the Secretary-General will continue to consult with membership and to keep them informed of progress.

1. Revisit and reform the governance structure of the Commonwealth and its Secretariat – i.e. change the governance operating model – to meet the growing demands upon the Secretariat in the entirely new world conditions now prevailing.
 - (i) Provide for Foreign Ministers at their annual meetings to: make recommendations to Heads on new guidelines for selection and appointment of Secretaries-General; consider reports from the troika on the performance of Secretaries-General and make recommendations to Heads on any renewal of appointments; consider reports from the Commonwealth Ministerial Action Group (CMAG) and other ministerial meetings requiring additional resources; and empower the CMAG as the interim governance structure for Commonwealth system-wide matters.
 - (ii) Empower the Secretary-General to lead the organization in implementing the policy direction set by leaders at CHOGMs. The Board of Governors will provide oversight and support to the Secretary-General in her/his duties, and committees of the Board will be established to strengthen Planning and Budgeting, Monitoring & Evaluation, Transparency & Accountability and Commonwealth Collaboration;
 - (iii) Strengthen the process by which representatives to the Board of Governors are appointed;
 - (iv) Consider reducing the size of the Executive Committee to ensure that it is comprised from the membership of the Board of Governors, and is a sub-committee of and reports to that body;

- (v) Reiterate that the Chair-in-Office will continue to support, inter alia, the Good Office role of the Secretary-General, and in promoting and advocating for the interests of the Commonwealth in other regional and international fora where the SG does not normally participate, as agreed and necessary; and
 - (vi) Empower the Commonwealth Secretary-General to play an effective role in coordinating the work of the entire system of Commonwealth organizations by directing the accredited organizations to plan and deliver in line with the Charter of the Commonwealth and CHOGM mandates to create system-wide synergy.
2. Combine the multiple and various governance arrangements documents of the Commonwealth Secretariat into one integrated document or manual.
 3. Review and clarify the core functions of the Commonwealth Secretariat. These may include, among other things, providing leadership on issues critical to Commonwealth members and engaging in partnerships where joint action is required; providing technical support and building sustainable institutional capacities; and assisting member's progress towards meeting their SDG commitments.
 4. Commit further financial and technical resources to enhancing the organization's governance model.
 5. Assign responsibility to the troika of Chairs-in-Office (past, present and Chair-in-Office elect) for conducting periodic assessments of the Secretary-General on the performance of the Secretariat. This should be at the level of Foreign Ministers at a minimum. A first appraisal should take place no later than eighteen months, and a second no later than six months before the end of term of Secretaries-General to allow for these to better align with and fit into recruitment processes.

B. Accountability and Transparency

1. Strengthen the reporting requirements of the Secretariat to ensure that the Board of Governors and the Executive Committee have adequate information to properly measure organizational performance; and also that there is clarity on the means by which results will be measured. Reports from the Secretariat should necessarily cover matters related to progress made towards strategic plans and on CHOGM mandates; financial performance; reports on evaluation of work completed or undertaken by the Secretariat; reports of evaluations conducted of the Secretariat by external agencies such as DfID, etc.; MoUs signed by the Secretariat; composition of Secretariat staff by region and country for the different levels of staffing; etc.
2. Ensure that all levels of members (in particular small economies) and all five regions of the Commonwealth are represented on the various governance bodies of the Secretariat, but in particular the Executive Committee of the Board of Governors.
3. Regularize guidelines and practices of the highest international standards for communicating and reporting, including publishing on the Secretariat's website, all information related to cooperation or joint undertakings between the Secretariat and other agencies, including accredited or associated organizations. This includes criteria for joining as accredited organization status; reports on work done including joint work with the Commonwealth Secretariat; etc.

C. Roles & Responsibilities of the Board of Governors

1. Strengthen the guidelines and requirements for reporting by the Secretariat to allow for adequate measurement of organizational results, thereby allowing for the BOG's policy decision-making to be better informed;
2. Enhance the guidelines and processes by which the Board approves the Secretariat's budgets;
3. Confirm that the Board of Governors will normally meet once annually, and strengthen the guidelines for convening extra-ordinary meetings of the Board, including requiring that, inter alia, this must be on the request of the Executive Committee;

D. Roles and Responsibilities of the Executive Committee

1. Appoint the Executive Committee from the membership appointed to the Board of Governors, and provide for small states and LDCs to be duly represented on the ExCo as well;
2. Consider reducing the size of the Executive Committee, taking into consideration B (2) and D (1) above, while ensuring that there is balanced representation;
3. Consider having the Chair of the Board of Governors also serve as Chair of the Executive Committee;
4. Authorize the Executive Committee to serve as the decision-making entity acting on behalf of, but within the powers granted to them by, the Board of Governors in between their annual meetings;
5. Require that matters of major policy significance introduced by the Secretariat or matters with significant financial consequences be referred to the Board of Governors for approval.

E. Funding

Leaders in their CHOGM 2018 statement 'committed to a stronger Commonwealth Secretariat including through sustainable financing'.

1. Ensure that the Commonwealth Secretariat is adequately resourced – member's financial obligations **must** cover the core funding requirements of the organization. Core funding is understood to mean the funds required for operational and programmatic costs necessary to effectively deliver the strategic plan and CHOGM mandates.
2. Require that member's budgetary commitments for the Secretariat be agreed two years in advance at CHOGM, and for these to be directly linked systematically to the mandates of the organization, both those related to the strategic priorities as well as those deriving from CHOGM mandates.
3. Establish clear timelines by which members are required to pay their annual financial obligations (i.e. within six months of the commencement of the Secretariat's financial year), and strengthen the penalties where members fail to meet their obligations.
4. Establish that voluntary contributions, once pledged, will become obligations subject to similar terms for payment as assessed contributions (i.e. these must be paid by the member pledging, and by the dates established in 3 above).
5. Suggest that the Board of Governors commission an independent study to determine a new viable funding formula for the organization, and which places the core financing of the Secretariat on more predictable and stable footing. This

- should consider the feasibility of simplifying the Secretariat's funding mechanism by merging the three separate funds (ComSec, CFTC and CYP) into one Commonwealth Fund but with a view to maintaining a priority for benefitting youth across all of the Secretariat's programs and services.
6. Establish clear guidelines for the use of Extra-Budgetary Resources (EBRs) to provide for: EBRs to be used for financing the mandates and priorities of the Secretariat; limiting the provision of EBRs by member governments to a maximum of 10% of total core funds so as to avoid distorting the funding mix of mandates; the Secretariat to levy a 20% surcharge on EBRs to cover the costs of staff time in proposal writing, planning and budgeting, and following a separate reporting mechanism; and to be supervised by the Board of Governors.
 7. Establish that mandates from ministerial meetings other than Commonwealth Heads of Government meetings, can only be approved for implementation by the Secretariat after appropriate budgetary provisions have been identified and allocated by the ExCo.

F. Guidelines for Selection and Recruitment of Secretaries-General

1. Adopt more comprehensive guidelines and protocols for the recruitment and selection of Secretaries-General of the Commonwealth. These should, among other things, establish that
 - (i) Secretaries-General of the Commonwealth will be selected on the basis of merit and competence;
 - (ii) Appointment of Secretaries-General shall normally require consensus by members;
 - (iii) Re-appointment of Secretaries-General to a second term is not automatic;
 - (iv) Only nationals of Commonwealth member countries are eligible for consideration to the post of Secretary-General;
 - (v) Recruitment will be based on clear job specifications and advertised openly. Suitable candidates may apply directly or be nominated by members;
 - (vi) There will be specific time-frames for completing selection and appointment of Secretaries-General; and
 - (vii) Shortlisted candidates will be required to put forward their manifestos outlining their priorities and plans for the Commonwealth.

Renewal of Appointment of the incumbent Secretary-General:

Regarding the request by members to consider recommendations to address the matter of renewal of the appointment of the incumbent Secretary-General given that her current term of appointment is expected to come to an end before the next CHOGM, the High Level Group recommends the following:

The Chair-in-Office will advise Commonwealth members not less than nine months prior to the end of the current term of appointment of the incumbent Secretary-General. The Secretary-General will then signify to the Chair-in-Office if she wishes to seek a second term, and this will trigger any arrangements for renewal of appointment; or, alternatively, for initiating a new recruitment and selection process. The Chair-in-Office's notification will also trigger the process requiring submission of its report/s on the results of performance appraisals completed of the SG to Members for their consideration. Members will be given a period of two months to submit any comments. If no objections are

received, the Secretary-General will be reappointed for a second term. Otherwise, the normal election procedures will apply pursuant to the relevant provisions under Section IV (Administrative Arrangements) of the Revised Agreed Memorandum on the Commonwealth Secretariat, providing that no new guidelines for selection and appointments of Secretaries-General have been agreed by Heads of Government by such time.