



Report to the GAVI Alliance Board

12-13 June 2012

Subject:	Amendments to Statutes and By-Laws
Report of:	Debbie Adams, Managing Director, Law & Governance
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Agenda item:	08
Category:	For Decision
Strategic goal:	Alliance operations

Section A: Overview

1. Purpose of the report

- 1.1 It was agreed at the Oslo retreat in April 2012 that the Governance Committee would follow up on a number of suggestions and recommendations arising out of the Board discussion on roles and responsibilities. This paper presents the proposals for changes to the governing documents (By-Laws and Executive Committee Charter) which arise from the stepping down of the manufacturers from the Executive Committee, which the Governance Committee has recommended to the Board for approval.

2. Recommendations

- 2.1 The Governance Committee recommended that the GAVI Alliance Board:

(a) **Amend By-Laws Article 3.1.1, clause 3 as follows:**

Up to eight additional Board Members (or Alternate Board Members), who shall each be a voting member of the Executive Committee

(b) **Amend By-Laws Article 3.1.2 in its entirety as follows:**

The composition of the eight additional Board Members shall be as follows:

- WHO, UNICEF, and the World Bank: Two seats
- Bill & Melinda Gates Foundation: One seat
- Developing country governments: One seat
- Donor country governments: One seat
- Unaffiliated Board Members: Three seats

- 2.2 The Governance Committee recommended that the GAVI Alliance Board:

(a) **Amend Article 3 of the Executive Committee Charter to include the following bullet point:**

Approve market and/or commercially-sensitive decisions as part of the implementation of the supply and procurement strategy.

- 2.3 The Governance Committee recommended, as a principle, that after the conclusion of 2012, Board Committees shall be composed of Board members or alternate Board members. However, Board members may submit for nomination and appointment someone to serve as the Board member's delegate on any Board Committee, except the Executive Committee, Governance Committee, Investment Committee, and Audit and Finance Committee.

3. Executive summary

- 3.1 It is recommended that the stepping down of the manufacturers from the Executive Committee be formalised by a change to the By-Laws and that the Executive Committee Charter be amended to enable it to make decisions involving market-sensitive issues. The vaccine manufacturers have confirmed their support to this approach. This will allow commercially-sensitive issues to be discussed without any actual or perceived conflicts of interest.

4. Next steps

- 4.1 The Governance Committee recommended the changes to the By-Laws and EC Charter on 14 May 2012. The Board is asked to consider and, if thought fit, approve the changes. If approved by the Board, they will be sent to the Swiss Supervisory Board for ratification.

Section B: Review of the Changes

5. Executive Committee composition

- 5.1 The recommendation to amend the By-Laws to remove the vaccine manufacturers starts with an amendment to 3.1.1 to change "up to nine additional Board Members (or Alternate Board Members), who shall each be a voting member of the Executive Committee" as follows:

(a) **Amend By-Laws Article 3.1.1, clause 3 as follows:**

Up to eight additional Board Members (or Alternate Board Members), who shall each be a voting member of the Executive Committee

- 5.2 The revised wording of Clause 3.1.2 of the By-Laws to incorporate both the changes to the Composition of the EC would read as follows:

(a) **Amend By-Laws Article 3.1.2 in its entirety as follows:**

The composition of the eight additional Board Members shall be as follows:

- WHO, UNICEF, and the World Bank: Two seats
- Bill & Melinda Gates Foundation: One seat
- Developing country governments: One seat
- Donor country governments: One seat
- Unaffiliated Board Members: Three seats

6. New Executive Committee function

- 6.1 If the above change to the composition of the EC is approved this will allow market sensitive issues to be discussed and decisions made without any actual or perceived conflicts of interest at the EC. It is therefore proposed to amend Article 3 of the Executive Committee Charter to include the following bullet point:

Approve market and/or commercially-sensitive decisions as part of the implementation of the supply and procurement strategy.

- 6.2 If this proposal is approved by the Board, it will enable the EC to take market and/or commercially sensitive decisions as part of its ongoing responsibilities.
- 6.3 In order to ensure transparency, it is proposed that all Executive Committee agendas and papers will be copied to all Board members in advance of the meeting and all minutes circulated subsequently. Where papers contain market sensitive and/or commercially sensitive information these papers will not be circulated to all Board members but will be made available once they are no longer sensitive.

Section C: Implications

7. Impact on countries

- 7.1 There is no direct impact.

8. Impact on the Business Plan / Budget / Programme Financing

- 8.1 There is no direct impact.

9. Risk implications and mitigations

- 9.1 There are no significant risks.

10. Legal and governance implications

- 10.1 The changed EC composition would make implementation of the Conflict of Interest Policy more streamlined.

11. Consultation

- 11.1 Board (Dhaka, Oslo), Governance Committee (14 May).

12. Gender equality implications

- 12.1 There are no significant implications.

13. Implications for the Secretariat

13.1 There are no implications on the Secretariat