



GAVI Alliance Governance Committee Meeting

7 May 2013

Washington, DC USA

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 11.25 Washington time on 7 May 2013. Geeta Rao Gupta, Governance Committee Chair, chaired the meeting.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc 1a in the Committee pack). The Committee also reviewed the minutes of its meeting on 20 March 2013 (Doc 1b).
- 1.3 The Committee reviewed its action sheet (Doc 1c). Debbie Adams, Managing Director, Law and Governance and Secretary to the Board informed the Committee that in response to the Committee's wish that the GAVI Alliance's governance practices should become more environmentally friendly, Board and committee packs would no longer be available in paper form. Board members needing the materials at a Board meeting would be able to collect a USB stick and the governance team was exploring tablet applications for viewing and marking up documents. In response to a request, the Secretary agreed that the governance team would provide light instructions for using any recommended tablet apps.
- 1.4 The Committee reviewed its forward workplan (Doc 1d). The Chair suggested that the Committee meet on 10 June to consider nominations for PPC Chair, given Gustavo Gonzalez-Canali's recent decision to step down. The Committee agreed, and the Chair requested that the Secretary circulate a note to the Board requesting expressions of interest in- and nominations for- the position.
- 1.5 The Chair provided some reflections on the Board's discussion on governance matters at its recent retreat. Noting the Alliance's public-private partnership model, she emphasized the need to have a structure that brought the nimbleness of the charity/corporate world together with the coordination and inclusiveness across diverse stakeholder groups embodied in multilateral organizations. She noted that the GAVI Alliance was considered to be a high performing global health partnership, and that any changes to the governance structure or processes should positively affect the culture of the Board and its

Committees in a manner that reflected the GAVI Alliance's hybrid nature. She highlighted broader use of the consent agenda, potentially requiring Board members and alternates to serve on at least one committee, and cutting down on purely informational items at Board meetings as recent innovations and steps in the right direction.

Decision One

The GAVI Alliance Governance Committee:

- **Approved** the minutes of its meeting on 20 March 2013.

2. Proposal to include CSOs on the Executive Committee

- 2.1 Alan Hinman, on behalf of the civil society organisations (CSO) constituency, asked the Committee to consider allocating a seat for CSOs on the Executive Committee (Doc 2). The constituency believes that CSO representation is in line with the country-focused approach of the Alliance. It represents more than 200 diverse organisations and is now an implementing partner of the business plan. Inclusion would also bring important, time-sensitive insights from the field to the Executive Committee (EC), especially on the GAVI Alliance's health systems strengthening (HSS) work.
- 2.2 After his remarks, Dr Hinman remained to respond to questions from fellow Committee members. He then left the room to allow the Committee to consider the proposal.

Discussion

- The Committee asked whether CSOs felt they needed a larger voice. Alan Hinman noted that the constituency was one of the only Alliance partners not on the EC and so perhaps that voice was not present in EC discussions. Noting that any Board member can attend a meeting of the EC, it was asked whether CSOs had taken advantage of that opportunity. It was noted that civil society had not chosen to attend EC meetings nor had the EC invited a CSO representative to attend. In any event, while such option would be better than no participation, Dr Hinman remarked that constituency members would likely view that option as a poor second choice to a formal seat on the committee.
- It was also asked how the constituency achieves consistency of message with such a diverse membership. Alan Hinman noted that the CSO constituency charter established the mechanism but that neither the charter nor the CSO steering committee controls its membership or how members individually choose to engage with the GAVI Alliance.
- Committee members inquired as to the scale of civil society's implementing work. It receives approximately US\$ 1 million through the business plan and other funding for its work in fragile countries. Alan Hinman noted that while

many CSOs receive GAVI funding through Departments of Health to provide immunisation services the GAVI Alliance does not currently have good data on how much GAVI funding actually goes to the CSOs and that it would be a good idea to better quantify this information to better understand the scale and contribution to the GAVI mission by the CSOs.

- Several members were concerned about increasing the Executive Committee's size. They were generally agnostic about the merits of the CSO proposal but were concerned that if it was accepted then other constituencies would also request seats. It was mentioned that the donor constituency was considering a request for a second seat on the EC too (although no formal request has yet been received). Governance Committee members were apprehensive that the EC could potentially become so large, it would be unable to fulfil its mandate to make time-sensitive decisions between Board meetings.
- The Governance Committee also noted that the EC composition was not meant to serve as a microcosm of the greater Alliance and its mandate does not require that all constituencies be represented.
- There was a feeling among Governance Committee members that the GAVI Alliance as a whole, and the EC in particular, was very transparent. EC materials are circulated to all Board members and Board members who are not represented at the EC are encouraged to feed comments through to the EC Chair or other representatives on the Committee. It was noted that Board members may attend the EC as observers, and that the non-commercially sensitive minutes are circulated to the entire Board after the meetings.
- It was also acknowledged that the EC's mandate now included taking commercially sensitive decisions and, as such, those materials are generally not distributed widely.
- It was noted that given the proposed Board and committee self-evaluation, perhaps the representation on the EC needed to be considered holistically, and in light of the self-evaluation findings. Therefore, given the need for the Governance Committee to look at the governance structure in a broader way, it would not consider any expansion of the EC's composition until that process had run its course.

3. Internal audit reporting lines proposal

- 3.1 Simon Lamb, Managing Director of Internal Audit tabled a proposed internal audit reporting lines document for recommendation to the Board (Doc 3).
- 3.2 Mr Lamb noted that he provided an extensive report to the Audit and Finance Committee (AFC) during its meeting on 22 April on his reporting lines and terms of reference, and that the AFC had recommended these documents for Board approval. He had also discussed these matters with the Chair of the

Board. It was noted that the Governance Committee was asked to recommend the reporting lines only as the terms of reference was squarely within the AFC's remit.

Discussion

- Dwight Bush, who serves as member of the AFC and the Governance Committee, confirmed his understanding that the reporting lines met three criteria he uses to assess the adequacy of internal audit reporting as a matter of good governance: transparency, accountability, and openness with senior management. He said internal audit's relationship with the AFC was good and that Board reporting was appropriate.
- Simon Lamb also confirmed his regular interaction with KPMG, the GAVI Alliance's independent auditor. He noted that his audits generally emphasized operational areas while KPMG's audit emphasized the soundness of the GAVI Alliance's financial reporting.
- The Governance Committee noted that at the AFC meeting, two members asked whether it would be appropriate for the internal auditor to have a standing report at both principal Board meetings, and not just at one session. Discussion followed and Wayne Berson, Chair of the Audit and Finance Committee, stated that Committee members should debrief their constituencies and Board members as required after standing AFC reports to allow the Board to prioritise its time and to avoid duplication of reporting. He noted that Simon Lamb had unfettered access to report to the Board as circumstances warranted.

Decision Two

The GAVI Alliance Governance Committee:

- **Recommended** that the Board approve the reporting lines as detailed in Doc 3, Annex 1:

4. Revision to the Investment Committee Charter

- 4.1 George W. Welde, Jr., Governance Committee member and Chair of the Investment Committee, tabled several revisions to the Investment Committee Charter that were recommended by that committee (Doc 4). It had done so in line with the discussion at the Board retreat to consider delegations from the Board to committees to allow the Board to focus on more strategic issues. In sum, the delegation would allow the Investment Committee to set the Investment Policy and asset allocation, rather than requesting Board approval each time it wanted to make a change.
- 4.2 Mr Welde noted that Investment Committee members, all experts on investment matters and currently all Board members, are aware of GAVI's

financial and operating needs. Nevertheless, if the delegation were agreed, the Board would continue to receive regular reporting so that it could fulfil its oversight role.

Discussion

- The Governance Committee Chair agreed that this was the type of delegation the Board should be making. These are highly specialized and technically oriented decisions that should be made at committee level.
- The Governance Committee queried how the Investment Committee monitors the mandate of investment managers, and after discussion, agreed that delegation would improve compliance with investment policies since the Investment Committee could calibrate the portfolio in a timely manner.
- The Governance Committee noted that the current composition of the Investment Committee would be trusted with this delegation given its make-up of Board members. However, as the membership of this committee turns over, the Governance Committee will need to ensure it is populated with Board members and/or Alternates with the right expertise going forward. In addition to that expertise, it was noted that it had been helpful in the past to have at least one non-expert on the Investment Committee to ensure that decisions and the reasons behind them can be adequately communicated in lay terms to all Board members.

Decision Three

The GAVI Alliance Governance Committee:

- **Recommended** to the Board that it amend the Investment Committee Charter as follows:
 - **Bullet 1 of Section 4** is deleted in its entirety and replaced with:
Review and set GAVI's Investment Policy, asset allocation, investment goals and objectives from time to time.
 - **The following bullet is added to Section 4:**
Report regularly to the Board on the Committee's activities and actions, as appropriate.
 - **Bullet 3 of Section 4** is deleted in its entirety.

5. Committee chairs and members terms

- 5.1 Following a request in November 2012 from the Chair, the Secretary tabled a set of By-Law and charter amendments that would allow the Governance Committee and Board to perform regular refreshment of committee composition every two years, rather than annually (Doc 5). While this would not preclude interim nominations as Board members request them, the

wholesale refreshment is a time-intensive project that often does not result in meaningful change.

Discussion

- The Committee agreed that this was a sensible solution, particularly since Board members could request changes to their committee assignments during the interim.
- It was once again noted that perhaps the Governance Committee should consider composing committees of Board members only. It was agreed that that consideration could be voiced as part of the self-evaluation process.

Decision Four

The GAVI Alliance Governance Committee:

- **Recommended** to the Board that it amend the second sentence of Article 4.2 of the By-Laws as follows:
 - *Each of the Board Committees shall have a presiding chair who shall be one of the Board Members and shall be appointed ~~annually~~ once every two years by the Board unless otherwise provided in the Statutes, By-Laws or Charter of the relevant Committee.*
- **Recommended** to the Board that it amend the first sentence of Section 2 of the Charter of Executive Committee as follows:
 - *Executive Committee members shall normally sit on the Executive Committee for ~~three~~ two years and may be reappointed for a single term, provided that an Eligible Organisation (or group of Eligible Organisations) or Eligible Constituency shall be entitled, in accordance with Article 10 of the Statutes, to have the same person(s) serve as its Executive Member(s) for such additional time as it shall desire and shall be entitled to replace its member(s) as it shall desire.*
- **Recommended** to the Board that it amend the first paragraph of Section 2 of the Charters of the Audit and Finance Committee, Investment Committee, and Programme and Policy Committee as follows:
 - *The Committee shall be a Standing Committee of the Board and Article 4 of the By-Laws shall govern Committee member appointment, removal and resignation; all members shall be appointed ~~on an annual basis~~ once every two years, with renewable terms. Further the Committee shall consist of at least three Board Members/Alternates.*
- **Recommended** to the Board that it amend the first paragraph of Section of the Charter of the Governance Committee as follows:
 - *The Committee shall be a Standing Committee of the Board and Article 4 of the GAVI By-Laws shall govern Committee member appointment, removal and resignation; all members shall be ~~appointed on an annual~~*

basis once every two years, with renewable terms. The Committee shall consist of at least three members. The Board Vice Chair shall also serve as Governance Committee Chair and a voting member of the Governance Committee (subject to the restrictions imposed by Article 4.2 of the By-Laws).

- **Recommended** to the Board that it amend second sentence of Section 2 of the Charter of the Evaluation Advisory Committee as follows:
 - *The Board shall select the Committee Chair (“Chair”) and ~~members who shall serve at the pleasure of the Board~~ appoint all members once every two years, both with renewable terms.*

6. Board and Committee nominations

- 6.1 The Secretary tabled recommendations for Board and committee membership (Doc 6). It was noted that there had been additional nominations received after the announced deadline and in fact just prior to the Governance Committee meeting. The Committee agreed that the late nominations could be considered at its 10 June meeting.

Discussion

- The Governance Committee commended the CSO constituency for its transparent and comprehensive process, calling it a model for other constituencies. The constituency noted that it had tried to recruit female candidates but had been disappointed not to receive any expressions of interest. The Governance Committee noted that the CSOs had found an excellent candidate for its Alternate Board member and it was elevating its current Alternate, a woman, to the Board member post.

Decision Five

The GAVI Alliance Governance Committee:

- **Recommended** that the Board appoint the following Board member:
 - **Joan Awunyo-Akaba** as Board Member representing civil society organisations in the seat currently held by Alan Hinman effective 1 July 2013 until 30 June 2015.
- **Recommended** that the Board appoint the following Alternate Board member:
 - **Naveen Thacker** as Alternate Board Member to Joan Awunyo-Akaba representing civil society organisations in the seat currently held by Joan Awunyo-Akaba effective 1 July 2013 until 30 June 2015.

- **Recommended** that the Board appoint the following member of the Programme and Policy Committee:
 - i. **Committee delegate**
 - **Raj Baisya** in the seat currently held by Abigail Robinson (UK).
- **Recommended** that the Board appoint the following member of the Evaluation Advisory Committee:
 - i. **Independent expert**
 - **Gonzalo Hernandez** effective immediately until 31 December 2015.

Governance Committee members whose constituencies were up for committee appointments recused themselves from discussion and voting on those nominations.

7. Ethics Policy amendment

- 7.1 In September 2012, the Executive Committee requested the Governance Committee to consider amending the Ethics Policy to remove the requirement that a Chair's waiver be sought if a committee delegate joined the Secretariat within one year of stepping down from a committee (Doc 7). It was suggested that this would provide better access to potential technical and other useful expertise.
- 7.2 This item had been tabled to the Governance Committee's November 2012 meeting but had been postponed.

Discussion

- Committee members noted that while such appointments would likely be appropriate, the "cooling off" period or alternative, by way of the Chair's waiver, served as a check on potential conflicts. Further, the Board and Committee self-evaluation may recommend more delegation of decision-making power, if this is the case, the importance of this check may become more apparent. As such, the Committee agreed not to make a recommendation at this time.

8. Donor reorganisation report

- 8.1 At the November 2012 Governance Committee meeting, the donors were asked to provide additional information regarding their reorganisation and how new donors join a constituency. Given this, the donor constituency tabled an

updated working arrangements document along with fact sheets on each of the five donor groups (Doc 8).

Discussion

- It was noted that the donor constituency should continue to provide transparency on how a new donor can join one of the five constituencies. It was noted that a recent new donor had trouble navigating the process and receiving an invitation to join one of the groups. Simon Bland noted his appreciation for being made aware of this and mentioned that he would flag this with his donor colleagues.
- Simon Bland noted that it would be difficult for the Governance Committee to be able to meaningfully provide input to donor groups as to their representatives on the Board as donor agencies usually hire people into a specific role and it is that role that determines who interacts with the GAVI Alliance. The Committee acknowledged this, but emphasized that the current need is to understand how a new donor country joins one of the five donor groups and then how the members of each group choose which provides the Board member and alternate Board member. It was noted this was becoming increasingly important in the context of resource mobilisation.
- It was also noted that many new donors were requesting a seat on the Board or at least assurance that they could engage in the governance of GAVI. Helen Evans, Deputy CEO noted that the Secretariat's resource mobilisation team had been instructed that it was not appropriate for them to make any promises in this area but that it might be helpful for the current donors to identify a focal point for new donors to mentor and orient them into the constituency and how the constituency manages its allocated Board seats. The Governance Committee also noted that new donors should not make a donation contingent on getting a Board seat.
- The Governance Committee requested that the donor constituency make more transparent its Board member and alternate Board member nominations processes and how a donor can join a particular donor group.

9. Board and committee self-assessment

- 9.1 During the section on Any Other Business, the Committee discussed initiating the next Board and committee self-assessment. In addition to those matters referenced above, the self-assessment would be used in the context of developing the GAVI Alliance Strategy 2016-2020 to help determine whether the GAVI Alliance's governance structure was fit for purpose post-2015.
- 9.2 The Committee agreed to spend time at the June Governance Committee meeting to discuss the requirements. In the meantime, it requested the Secretary to engage McKinsey & Company and if possible, the same McKinsey team that had carried out the 2012 evaluation in a very satisfactory

manner, to facilitate the new self-evaluation. The Committee also requested the Secretary to circulate the report and the questionnaire from the last self-assessment to the Committee to help inform the June discussion, understanding that it would be important to use many of the same questions in the next round so that the previous survey results could be used as a baseline.

After determining there was no further business, the meeting was brought to a close.

Ms Debbie Adams
Secretary to the Board

Attachment A

Participants

Committee Members

- Geeta Rao Gupta, Chair
- Simon Bland
- Dwight Bush
- Maria C. Freire
- Alan Hinman
- Olga Popova
- Samba O. Sow
- George W. Wellde, Jr.

Regrets

- Nicholas Alipui
- José Luis Solano
- Seth Berkley (non-voting)

Secretariat

- Debbie Adams
- Helen Evans
- Kevin A. Klock
- Simon Lamb (for Agenda item 3 only)

Guest

- Gian Gandhi, Senior Adviser to the Board Vice Chair