

**SUBJECT: CHANGES TO COMMITTEE CHARTERS**

**Agenda item: 02d**

**Category: For Decision**

### **Section A: Summary**

- This paper presents recommendations to the Board which the Governance Committee agreed on during its meetings on 5 October 2017 and 27 November 2017.
- The recommendations propose revisions to the Audit and Finance Committee, Investment Committee and Evaluation Advisory Committee Charters to align with the Governance Committee and Programme and Policy Committee Charters approved by the Board in June 2017.

### **Section B: Changes to Committee Charters**

#### **1. Audit and Finance Committee and Investment Committee Charters**

- 1.1 The Audit and Finance Committee (AFC) and Investment Committee (IC) Charters were updated and approved by the Board in December 2016. The revisions reflected the evolved and enhanced role of the Committees in terms of their responsibilities and aligned the Charters to internationally accepted standards and best practices.
- 1.2 At their meetings in July 2017 and August 2017 respectively, the AFC and IC considered and agreed to further amendments to their Charters, which were primarily of an editorial nature, to align with standard terms and provisions which were developed during the first half of 2017 in the context of the recommendations of the 2016 Board and Committee self-evaluation.
- 1.3 The updated and revised Charters were presented to the Governance Committee at its meeting on 5 October 2017 and are now being presented to the Board for approval (see Annexes A and B).

#### **2. Evaluation Advisory Committee Charter**

- 2.1 The Evaluation Advisory Committee (EAC) was not part of the 2016 Board and Committee self-evaluation exercise as it is not a Board Committee.
- 2.2 During its meeting in October 2017, the EAC was presented with the findings of a peer review of Gavi's evaluation function, which had been initiated in April 2017. The rationale for this exercise was to inform the

review of the Gavi Evaluation Policy and the EAC Charter, as well as to help improve the evaluation function within the Gavi Secretariat.

- 2.3 In light of this peer review exercise the EAC agreed to a two-step approach to update the governing document for the Committee as outlined below:
- (a) *Step One*: Update the current EAC Charter to reflect and align with the recent updates approved by the Gavi Board in June 2017 to Gavi's Statutes, By-laws and Committee Charters. This was presented to the October 2017 meeting of the EAC in the form of a draft terms of reference.
  - (b) *Step Two*: The results of the peer review exercise will inform further changes necessary to the EAC terms of reference, especially with regards to the role, duties and responsibilities of the EAC. A second update of the EAC terms of reference will be undertaken to reflect these. This update will also include an identification of the optimal skill-mix required in order for the EAC to discharge its duties and responsibilities effectively.
- 2.4 The proposed revisions pertaining to *Step One* were approved by the EAC at their October 2017 meeting. They mostly reflect changes of an editorial nature to ensure alignment with the Board Committee Charters and the terms of reference of the All Chairs Group. They also reflect changes in relation to specifying the duration and number of terms of the EAC Chair and EAC members, as well as in relation to voting.
- 2.5 The updated and revised Terms of Reference were presented to the Governance Committee at its meeting on 27 November 2017 and are now being presented to the Board for approval (see Annex C).
- 2.6 It is expected that changes undertaken to these terms of reference as part of *Step Two* will be presented to the EAC at its meeting in October 2018, after which it is expected to be tabled at the Governance Committee for its consideration and recommendation to the Board for approval.

### **Section C: Actions requested of the Board**

The Gavi Alliance Governance Committee recommends to the Gavi Alliance Board that it:

- (a) **Approve** the revised and updated Charter for the Audit and Finance Committee as set out in Annex A to Doc 02d, effective from 1 January 2018; and
- (b) **Approve** the revised and updated Charter for the Investment Committee as set out in Annex B to Doc 02d, effective from 1 January 2018; and
- (c) **Approve** the revised and updated Terms of Reference for the Evaluation Advisory Committee as set out in Annex C to Doc 02d, effective from 1 January 2018.

**Annexes**

**Annex A:** Revised and updated Charter for the Audit and Finance Committee

**Annex B:** Revised and updated Charter for the Investment Committee

**Annex C:** Revised and update Terms of Reference for Evaluation Advisory Committee



**DRAFTv7 - July 2017**

## **AUDIT AND FINANCE COMMITTEE CHARTER**

### **1. PURPOSE**

The Audit and Finance Committee (“Committee” or “the AFC”) is established by the Board (“Board”) of the Gavi Alliance (“Gavi”) to support the Board in fulfilling its oversight responsibilities in a timely manner in respect of the organisation’s financial management, risk and control framework, including internal and external audit, and adherence to appropriate standards of good practices and ethics.

The Committee will review, monitor and make recommendations to the Board on the areas within its scope of responsibilities and on any other matters which the Board may request.

Words and expressions used in this Charter shall, unless the context requires otherwise, have the meaning attributed to them in the Gavi By-laws.

### **2. MEMBERSHIP**

The membership, resources, responsibilities and authorities of the Committee to perform its role effectively is stipulated in this Charter, which may be amended by the Board as and when required or deemed necessary and is specifically governed by Gavi’s By-laws, Article 4 which governs Committee member appointment, including relevant Alternates, and Article 2.4.4 which governs Committee member removal and resignation, including relevant Alternates.

#### **A. Composition and size**

The composition of the AFC shall allow it to function efficiently and effectively in fulfilling its functions and responsibilities. The composition of the AFC is intended to comprise individuals suitably competent in the affairs and issues falling within the Charter so as to be able to provide the Board and the Secretariat with sound advice on matters set out in this Charter.

The AFC shall comprise not less than three members. A majority of the AFC members shall comprise Board members and Alternate Board members. Committee delegates, as defined in the By-laws, shall be eligible for membership on the AFC.

Non-voting expert advisers may be invited to participate in AFC meetings at the discretion of the AFC Chair on a permanent or ad hoc basis. The role of expert advisers is to support the Committee on highly technical or specialised issues that come before

the Committee for its consideration and to provide guidance and/or advice that the Committee may consider in its deliberations.

## **B. Competencies and skills**

AFC members should collectively have a balance of skills, recent and relevant expertise, experience, and knowledge of the following:

- Financial management, including accounting and finance, and development finance;
- Risk management and systems of internal control;
- Assurance processes, including internal and external audit; and
- General principles of law, regulations, compliance matters and ethics (as appropriate).

Essential features of the AFC as a whole are that it is independent from the Secretariat and that it is comprised of individuals suitably competent in the affairs and issues falling within the Charter so as to be able to provide the Board and the Secretariat with independent advice on matters outlined in the Charter. All AFC members therefore shall be able to act independently, ask relevant questions and evaluate answers, act professionally and maintain the highest ethical standards and loyalty to the interests of Gavi.

The overall balance of skills on the Committee shall be periodically evaluated to respond to the needs of Gavi and its Board.

The criteria for AFC membership shall be consistent with Gavi's gender policy.

Each member of the AFC will be required to participate in a programme of induction, training and familiarisation with the work of the AFC to enable Committee members to keep abreast of current developments in the work of the AFC and leading practices. The Chair of the AFC shall be an unaffiliated Board member with in-depth accounting and audit knowledge skills and experience but shall not be the Board Chair. The Chair shall:

- Plan and oversee the conduct of meetings;
- Report to the Board on relevant and material matters as appropriate; and
- Participate in and advise on the selection of AFC members in conjunction with the Board and the Governance Committee.

In the event that the Chair is unable to attend a scheduled meeting, the Chair will, after consultation with other AFC members, nominate a suitable substitute from the membership of the AFC.

## **C. Appointment and term of office**

All AFC members shall be appointed by the Board on the recommendation of the Governance Committee, in consultation with the Chair of the AFC. AFC members shall be appointed once every two years with renewable terms. All nominees to the AFC should be evaluated by the Governance Committee to ensure each individual meets

the membership requirements set out in 2.B above and knowledge of Gavi's business prior to appointment and ensure the individual's competencies fit with the required competencies of the AFC.

The Secretary to the Board or a designated appointee shall be the Secretary of the Committee. The Secretary shall:

- Provide the link between the AFC, the Board and the Secretariat;
- Assist the AFC in developing good governance practices; and
- Ensure that the agenda, meeting papers and minutes and other materials to support the AFC are provided in a timely manner.

### **3. AUTHORITY**

The AFC is established by the Board under Article 19 of the Gavi Statutes and is a Standing Committee of the Board. It is empowered by the Board to undertake the responsibilities outlined in this Charter. The AFC will operate under Gavi's Statutes and By-laws.

The AFC will have oversight, review and advisory functions to, and for, the Gavi Board. It will make recommendations for Board decision/approval primarily covering: (i) budget for the Secretariat and partners; (ii) programme funding requests; (iii) long-term financial forecasts; (iv) risk policy and risk appetite statement; (v) annual risk and assurance report; (vi) internal and programme audits; (vii) Audit and Investigations' terms of reference; (viii) external auditor; and (ix) annual financial statements and report.

The AFC has no executive powers and is not a decision-making body unless it has powers directly delegated to it by the Board. It shall regularly report on AFC activities to the Board and shall maintain open communications between AFC members and the Board.

The Committee shall have the power to delegate on an exceptional basis its authority and duties to the AFC Chair or individual Committee members as it deems appropriate.

The AFC shall have unrestricted access to information, Gavi personnel and relevant other Gavi parties, and external expertise as appropriate but directed through the AFC Chair.

The mandate of the AFC is established in this Charter.

### **4. RESPONSIBILITIES**

It is the responsibility of the AFC, on behalf of the Board, to:

#### **A. Oversee, review and monitor Gavi's financial management and corporate reporting:**

- Review annually the appropriateness of accounting policies and practices of Gavi and recommend approval by the Board of any material changes proposed to Gavi's accounting interpretations. This review will also include any

significant management judgments, estimates and unusual transactions contained therein.

- Review and recommend to the Board for approval the consolidated annual financial statements report (AFR) and any related information material to the AFR.
- Review interim financial information of Gavi, including review of any formal announcement of a financial nature from Gavi and other periodic filings.
- Review and recommend to the Board the annual or bi-annual budget for the Secretariat and Partners and budgets associated with PEF (Partners' Engagement Framework).
- Review and approve a budget amount for an activity that has not been completed within the year for which the budgeted activity had been approved to be carried forward to a subsequent year in which the activity will be undertaken.
- Review and recommend to the Board the programme funding policy and that programme funding requests are within available and anticipated funding.
- Review Gavi's long-term financial forecasts and recommend to the Board that it appropriately reflects Gavi's expenditure needs and available resources.
- Review funding and liquidity needs of Gavi with the Secretariat and report to the Board accordingly and to guide the Secretariat, through the Board, on Gavi's funding and liquidity needs.
- Review and monitor the currency hedging policy, plan and its effectiveness.
- Review the competence and adequacy of the finance function, its leadership, personnel, resources and systems, including technology and operations.

**B. Oversee, review and monitor the enterprise risk management system:**

- Oversee, through review, the operation of an appropriate and effective system of internal control covering organisation, systems, processes, and other mechanisms employed by the Secretariat.
- Review and recommend to the Board for approval risk policies and the risk appetite statement.
- Review and monitor the effectiveness of risk management systems and processes (including the risk register) in identifying, assessing, and managing the Alliance-wide risks which are most significant, and in maintaining an appropriate risk culture.
- Review and monitor the development and maintenance of risk management capabilities and an appropriate risk culture.
- Review and monitor the risk register.

- Review and monitor key risks, their assessment, mitigation and related assurance mechanisms to ensure that Gavi's significant risks are within the Gavi Board-approved risk appetite.
- Review Gavi's arrangements for the management of business continuity, and the operation of information systems.
- Identify specific risks for further specialist discussion in other Committees, as applicable.
- Select key risks to be brought to the Board for review and discussion of whether the aggregate level of risk is acceptable or mitigated appropriately.
- Review the annual risk and assurance report for recommendation to the Board.

**C. Oversee, review and monitor the operation of the Audit and Investigations function comprising Internal Audit, Programme Audit, Investigation and Counter-Fraud activities:**

- Recommend to the Board the appointment and/or termination of the Managing Director: Audit and Investigations following review for appropriate skills, background and authority for leadership of the function.
- The Managing Director: Audit and Investigations shall have a direct reporting line to the Board, which is generally effectuated through routine reporting to the AFC. The Managing Director: Audit and Investigations shall have free and unrestricted access to the AFC Chair as well as the Board Chair and Board Vice Chair (if necessary on a confidential basis).
- Review and recommend for Board approval the Audit and Investigations terms of reference.
- Review and approve the Annual Audit and Investigations Plan.
- Review and monitor the effectiveness of the audit and investigations function, including its organisation, and the adequacy of resourcing (both financial budget and personnel) given the desired level and quality of audit coverage and investigatory capability expected by AFC. Review summary of all audit reports with particular attention to be given to any audit reports with significant findings, including the appropriateness of issue remediation and management's responsiveness.
- Request audits, investigations or other reviews as considered appropriate by AFC to assist it in the execution of its responsibilities.
- Review reports relating to the operation of the investigations and counter-fraud activities, and the appropriateness of management follow-up.
- Evaluate annually the performance of the Managing Director: Audit and Investigations and of the Audit and Investigations function.
- Review the periodic External Quality Assessment to be undertaken as set out in the Audit and Investigations terms of reference.



**D. Oversee the external auditor and the external audit:**

- Review the expertise, experience of the external auditor and make recommendations to the Board on auditor appointment/reappointment, as appropriate and should be read with the Independent Auditor Selection and Evaluation Policy.
- Approve the terms of engagement, scope of work and fees for the external audit.
- Annually review the external auditor's independence, objectivity and competence and review and approve the use and fees of the external auditor for any non-audit services.
- Meet with the external auditor to obtain their opinion on the finance function and its processes in preparing the financial statements.
- Review with the external auditor the audit management letter and management's response.
- Review with external auditor the AFR and discuss the audit opinion, key audit matters arising, recommendations for improvement and the AFC's assessment of the external auditor's performance and audit quality.
- Recommend to the Board the approval of the AFR.

**E. Review and monitor effectiveness of integrity, ethics, and fraud and whistleblowing activities:**

- Review and monitor any matters arising in relation to the operation of the Whistleblowing Policy, the Ethics Policy and the Conflicts of Interests Policy.
- Make any recommendations to management regarding the enhancement and/or practical application of these policies throughout Gavi and its operations.
- Ensure the effective investigation and resolution of issues arising in connection with these policies.

**F. Review and monitor effectiveness of compliance procedures**

- Review of tax matters, primarily the United States IRS 990.
- Review significant legal matters and discuss their financial impact on Gavi.
- Review and monitor compliance with any applicable laws, regulations and Gavi policies and ensure proper document retention practices.

**G. Other matters**

- Oversee that appropriate insurance coverage for Gavi's business and its personnel is in place including undertaking an annual review of Gavi's insurance policies and reports from insurance advisers.

- Perform such other duties required by Gavi By-laws or otherwise as necessary or appropriate to further the Committee's purposes, or as the Board may assign to the AFC.

## **5. MODE OF OPERATION**

### **A. Meeting attendance**

All Board members and their Alternates, who are not serving on the AFC, have the right to attend meetings of the AFC as observers but may not speak or participate in the proceedings except at the invitation of the AFC Chair.

Members of the Secretariat shall make themselves available to attend all AFC meetings as appropriate. Other observers may attend meetings under exceptional circumstances and contingent upon AFC Chair approval .

The external auditor shall be required to attend AFC meetings to discuss audit matters as may be requested by the AFC Chair.

AFC members shall prepare for and actively participate in Committee meetings.

### **B. Frequency of meetings**

The Committee shall meet at least four times annually or more frequently as the AFC Chair deems necessary. It is intended that two of these meetings shall be face-to-face meetings.

Meetings shall be coordinated to occur prior to Board meetings and shall be cognisant of co-ordination with the Programme and Policy Committee as appropriate at least once a year and the need for expeditious approval by the Board of time sensitive matters.

### **C. Notice of meetings**

The Committee shall establish an annual calendar of activities so that meetings are known well in advance.

Notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee and other invitees not less than a week prior to the date of such meeting and sent by email.

The notice will include relevant supporting papers for the agenda items to be discussed.

### **D. Agenda**

The AFC Chair shall establish Committee meeting agendas with the Secretary of the Committee and in consultation with Committee members and relevant members of the Secretariat. The AFC agenda and annual calendar of activities shall include matters for current consideration and emerging issues within its area of responsibility.

### **E. Quorum**

The quorum for the AFC shall be a majority of AFC members.

**F. Conflict(s) of interest and declarations of interests**

All AFC members shall adhere to Gavi's Conflict of Interest and Ethics Policies and shall annually complete an Annual Declaration Form in accordance with these policies. The Declaration shall be updated by AFC members when required.

At the commencement of each meeting, each AFC member shall declare any actual or perceived conflict of interest arising in the matters before the Committee and the relevant provisions in the Statutes, By-laws and the Conflict of Interest Policy shall regulate participation.

**G. Voting**

The Chair should aim for consensus on all decisions. If consensus cannot be reached, majority and minority positions shall be reported to the Board as appropriate.

**H. Minutes**

The Committee shall keep minutes of its meetings in accordance with Gavi's Statutes and By-laws.

**I. Executive sessions**

From time to time, at the discretion of the AFC Chair, the Committee may hold closed sessions with such parties as it deems appropriate, together or separately without members of the Secretariat present (including the CEO).

**6. ACCESS TO INFORMATION AND EXPERTISE**

The AFC is authorised by the Board to obtain independent professional advice as it considers necessary, at the expense of Gavi.

**7. PERFORMANCE AND REVIEW**

The Committee will evaluate its performance at least once every two years in conjunction with the Board Evaluation having regard to the principles and requirements of its mandate as set out in this Charter and any additional activities undertaken during the year at the request of the Board.

The AFC shall report to the Board the results of its review and development actions arising.

The Board shall review the AFC Charter every two years, normally in conjunction with the biennial performance evaluation, to ensure its adequacy and that it remains relevant to its programme of work and in accordance with developments in best practice.



**DRAFTv5–July 2017**

## INVESTMENT COMMITTEE CHARTER

### 1. PURPOSE

The Investment Committee (“Committee” or “the IC”) is established by the Board (“Board”) of the Gavi Alliance (“Gavi”) to support the Board in fulfilling its oversight responsibilities in a timely manner in respect of the management of Gavi’s investments. This is done in a manner consistent with Gavi’s operating needs and overall programme goals, asset preservation and growth within Gavi’s investment portfolio, and prudent maximisation of risk-adjusted returns on investment consistent with objectives stated in the Investment Policy.

The Committee is to provide assurance to the Board on the effectiveness of the investment portfolio of the Gavi Alliance.

The Committee will review, monitor and make recommendations to the Board on the areas within its scope of responsibilities and on any other matters which the Board may request.

Words and expressions used in this Charter shall, unless the context requires otherwise, have the meaning attributed to them in the Gavi By-laws.

### 2. MEMBERSHIP

The membership, resources, responsibilities and authorities of the Committee to perform its role effectively is stipulated in this Charter, which may be amended by the Board as and when required or deemed necessary and is specifically governed by Gavi’s By-laws, Article 4 which governs Committee member appointment, including relevant Alternates, and Article 2.4.4 which governs Committee member removal and resignation, including relevant Alternates.

#### A. Composition and size

The composition of the IC shall allow it to function efficiently and effectively in fulfilling its functions and responsibilities. The composition of the IC is intended to comprise individuals suitably competent in the affairs and issues falling within the Charter so as to

be able to provide the Board and the Secretariat with sound advice on matters set out in this Charter.

The IC shall comprise not less than three persons. A majority of the IC members shall comprise Board members and Alternate Board members. Committee delegates, as defined in the By-laws, shall be eligible for membership on the IC.

Non-voting expert advisers may be appointed to the Committee or invited to participate in IC meetings at the discretion of the IC Chair on a permanent or ad hoc basis. The role of expert advisers is to support the Committee on highly technical or specialised issues that come before the Committee for its consideration and to provide guidance and/or advice that the Committee may consider in its deliberations.

### **B. Competencies and skills**

IC members should collectively have a balance of recent and relevant expertise, experience, skills and knowledge of the following:

- Capital markets development and transactions;
- Portfolio management, asset allocation, and manager selection;
- Risk management, compliance and data quality governance;
- Financial regulations, including trends and impacts on the investment management industry;
- Socially responsible investing (“SRI”);
- Knowledge of donors and governmental funding cycles; and
- Accounting and financial reporting.

Essential features of the IC as a whole are that it is independent from the Secretariat and that it is comprised of individuals suitably competent in the affairs and issues falling within the Charter so as to be able to provide the Board and the Secretariat with independent advice on matters outlined in the Charter. All IC members therefore shall be able to act independently, ask relevant questions and evaluate answers, act professionally and maintain the highest ethical standards and loyalty to the interests of Gavi.

The overall balance of skills on the Committee shall be periodically evaluated to respond to the needs of Gavi and its Board.

The criteria for IC membership shall be consistent with Gavi’s gender policy.

Each member of the IC will be required to participate in a programme of induction, training and familiarisation with the work of the IC to enable Committee members to keep abreast of current developments in the work of the IC and leading practices.

The Chair of the IC shall be an unaffiliated Board member with in-depth knowledge, skills and experience of investments and capital markets but shall not be the Board Chair. The Chair shall:

- Plan and oversee the conduct of meetings;
- Report to the Board on relevant and material matters as appropriate; and
- Participate in and advise on the selection of IC members in conjunction with the Board and the Governance Committee.

### **C. Appointment and term of office**

All IC members shall be appointed by the Board on the recommendation of the Governance Committee, in consultation with the Chair of the IC. IC members shall be appointed once every two years with renewable terms. All nominees to the IC should be evaluated by the Governance Committee to ensure each individual's investment literacy and knowledge of Gavi's business prior to appointment and ensure the individual's competencies fit with the required competencies of the IC.

The Secretary to the Board or a designated appointee shall be the Secretary of the Committee. The Secretary shall:

- Provide the link between the IC, the Board and the Secretariat;
- Assist the IC in developing good governance practices; and
- Ensure that the agenda, meeting papers and minutes and other materials to support the IC are provided in a timely manner.

## **3. AUTHORITY**

The IC is established by the Board under Article 19 of the Gavi Statutes and is a Standing Committee of the Board. It is empowered by the Board to undertake the responsibilities outlined in this Charter. The IC will operate under Gavi's Statutes and By-laws.

The two documents that govern Gavi's investments are the Gavi Alliance Investment Policy and the Gavi Alliance SRI Guidance paper. The IC will have oversight, review and advisory functions to, and for, the Gavi Board. It will make recommendations for Board decision/approval primarily covering: (i) investment management structure; (ii) Investment Policy which includes (a) investment objectives for the short-term portfolio and the long-term portfolio, (b) counterparty limitations and (c) credit quality limitations; (iii) asset allocation statement; and (iv) approval of supplemental investment policies and guidance as needed.

The IC is primarily advisory in nature but has certain decision-making authorities delegated to it by the Board. It shall regularly report on IC activities to the Board and shall maintain open communications between IC members and the Board as appropriate.

The Committee shall have the power to delegate on an exceptional basis its authority and duties to the IC Chair, individual Committee members or the Chief Investment Officer as it deems appropriate.

The IC shall have reasonable access to information, Gavi personnel and relevant other Gavi parties, and external expertise as appropriate but directed through the IC Chair.

The mandate of the IC is established in this Charter.

#### **4. RESPONSIBILITIES**

It is the responsibility of the IC, on behalf of the Board, to:

**A. Monitor overall performance of the investment portfolio and update the Board regularly on the performance and any material deviations from return objectives:**

- Review market conditions and impact on the investment portfolios.
- Review portfolio objectives and performance.
- Review the portfolio's composition.

**B. Oversee, review and monitor Gavi's investment policy, asset allocation, investment goals and objectives:**

- Review and set Gavi's Investment Policy and report to the Board on any changes prior to implementation of the Policy.
- Review annually the appropriateness of Gavi's asset allocation.
- Monitor Gavi's overall compliance with the Investment Policy, as well as the performance and diversification of its invested assets and its achievement of its investment goals and objectives.
- Monitor concentration of the investment portfolio and any tactical deviation from policy target(s) and approve any recommended adjustments.
- Review and monitor individual investment manager performance.
- Review applicable laws and regulations that may impact the investment portfolios, and approve any recommended adjustments.

**C. Oversee, review and monitor Gavi's SRI guidance and implementation:**

- Review SRI approach and principles and approve any recommended adjustments.
- Monitor compliance and review the Secretariat's SRI semi-annual findings.
- Review and approve recommended changes to the portfolios stemming from SRI concerns.

**D. Oversee, review and monitor the investment portfolio risk and Gavi's risk tolerance:**

- Review and monitor key risks, their assessment and mitigation. Ensure that portfolio risk is consistent with Gavi Board's risk appetite.
- Review the annual risk rating of investment managers and determine necessary risk mitigation actions.
- Review effectiveness and adequacy of monthly performance reporting.
- Review consistency of investment portfolio liquidity terms with Gavi's expenditure needs.
- Review and monitor investment manager due diligence activities.
- Review and monitor the development and maintenance of risk management capabilities and measurements.

**E. Appoint and terminate investment managers, consultants, custodians and any other relevant service providers:**

- Review and approve Secretariat recommendations for appointment and termination, identify any issues for further consideration.
- Review the frequency and depth of the manager due diligence process conducted by the Secretariat.
- Review the performance of Gavi's investment consultant and custodian annually.
- Review reasonableness of fees and approve service provider appointments.
- Monitor the onboarding and dismissal process.

**F. Oversee, review and monitor the operation of the Investments team:**

- The Chief Investment Officer shall have a direct reporting line to the Managing Director: Finance and Operations, and shall have unrestricted access to the Investment Committee Chair as necessary.
- Review and monitor the effectiveness of the Investments function, including its organisation, and the adequacy of resourcing (both financial budget and personnel) given the desired level of asset allocation and monitoring by IC.
- Provide input to the performance evaluation of the Chief Investment Officer and the efficacy of the Investments function.

**G. Other matters**

- Review of Gavi's Internal Audit reports of investment activities and Gavi's annual external auditors report in relation to the investment function.
- Report to the Board regularly on the activities of the Committee and when appropriate and prudent to do so on any of the matters as set out in this Charter.



- The Committee in fulfilling its duties under the Investment Policy and this Charter, will draw on expertise from Alliance partners, the Secretariat, external consultants, individuals and institutions as appropriate.
- Perform such other duties required by law or otherwise as are necessary or appropriate to further the Committee's purposes, or as the Board may from time to time assign to it.

## **5. MODE OF OPERATION**

### **A. Meeting attendance**

All Board members and their Alternates, who are not serving on the IC, have the right to attend meetings of the IC as observers but may not speak or participate in the proceedings except at the invitation of the IC Chair.

Members of the Secretariat shall make themselves available to attend all IC meetings as appropriate. Other observers may attend meetings under exceptional circumstances and contingent upon IC Chair approval.

IC members shall prepare for and actively participate in Committee meetings.

### **B. Frequency of meetings**

The Committee shall meet at least four times annually or more frequently as the IC Chair deems necessary.

Meetings shall be coordinated to occur prior to Board meetings.

### **C. Notice of meetings**

The Committee shall establish an annual calendar of activities so that meetings are known well in advance.

Notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee and other invitees is not less than a week prior to the date of such meeting and sent by email.

The notice will include relevant supporting papers for the agenda items to be discussed.

### **D. Agenda**

The IC Chair shall establish Committee meeting agendas with the Secretary of the Committee and in consultation with Committee members and relevant members of the Secretariat. The IC agenda and annual calendar of activities shall include matters for current consideration and emerging issues within its area of responsibility.

### **E. Quorum**

The quorum for the IC shall be a majority of IC members.

#### **F. Conflict(s) of interest and declarations of interests**

All IC members shall adhere to Gavi's Conflict of Interest and Ethics Policies and shall annually complete an Annual Declaration Form in accordance with these policies. The Declaration shall be updated by IC members when required.

At the commencement of each meeting, each IC member shall declare any actual or perceived conflict of interest arising in the matters before the Committee and the relevant provisions in the Statutes, By-laws and the Conflict of Interest Policy shall regulate participation.

#### **G. Voting**

The Chair should aim for consensus on all decisions. If consensus cannot be reached, majority and minority positions shall be reported to the Board as appropriate.

#### **H. Minutes**

The Committee shall keep minutes of its meetings in accordance with Gavi's Statutes and By-laws.

#### **I. Executive sessions**

From time to time, at the discretion of the IC Chair, the Committee may hold closed sessions with such parties as it deems appropriate, together or separately without members of the Secretariat present (including the CEO).

### **6. ACCESS TO INFORMATION AND EXPERTISE**

The IC is authorised by the Board to obtain independent professional advice as it considers necessary, at the expense of Gavi.

### **7. PERFORMANCE AND REVIEW**

The Committee will evaluate its performance at least once every two years in conjunction with the Board Evaluation having regard to the principles and requirements of its mandate as set out in this Charter and any additional activities undertaken during the year at the request of the Board.

The IC shall report to the Board the results of its review and development actions arising.

The Board shall review the IC Charter every two years, normally in conjunction with the biennial performance evaluation, to ensure its adequacy and that it remains relevant to its programme of work and in accordance with developments in best practice.



**DRAFT v5–September 2017**

## EVALUATION ADVISORY COMMITTEE TERMS OF REFERENCE

### **1. PURPOSE**

The Evaluation Advisory Committee (“Committee” or “the EAC” ) is established by the Board (“Board”) of the Gavi Alliance (“Gavi”) under Article 5 of the By-laws to support the Board in fulfilling its oversight responsibilities in respect to the management of Gavi’s organisational and programmatic evaluation activities.

The EAC is not deemed to be a committee of the Board in that its primary role is essentially an advisory function as contemplated under Article 20 of the Statutes. It is empowered by the Board to undertake the responsibilities outlined in these terms of reference. It does have limited decision-making powers as outlined in these terms of reference.

Words and expressions used in this terms of reference shall, unless the context requires otherwise, have the meaning attributed to them in the Gavi By-laws.

### **2. MEMBERSHIP**

The membership, resources, responsibilities and authorities of the Committee to perform its role effectively is stipulated in these terms of reference, which may be amended by the Board as and when required or deemed necessary.

#### **A. Composition and size**

The composition of the EAC shall allow it to function efficiently and effectively in fulfilling its functions and responsibilities. The composition of the EAC is intended to comprise individuals suitably competent in the affairs and issues falling within the terms of reference so as to be able to provide the Board and the Secretariat with sound advice on matters set out in this terms of reference.

The EAC shall comprise not less than three persons. A majority of the EAC members shall comprise independent evaluation experts and a minority of Board members or Alternate Board members.

## **B. Competencies and skills**

EAC members should collectively have a balance of skills, recent and relevant expertise, experience, and knowledge of the following:

- Evaluation design including methodological, procedural and information requirements;
- Programmatic and country context to ensure successful oversight of existing evaluations as well as development of organisation evaluation strategy and workplans;
- Overseeing and guiding data analytics and results interpretation.

All EAC members shall be able to act independently, to ask relevant questions and evaluate answers, act professionally and maintain the highest ethical standards and loyalty to the interests of Gavi.

The overall balance of skills on the Committee shall be periodically evaluated to respond to the needs of Gavi.

The criteria for the EAC membership shall be consistent with Gavi's gender policy.

Each member of the EAC will be required to participate in a programme of induction, training and familiarisation with the work of the EAC to enable Committee members to keep abreast of current developments in the work of the EAC and leading practices. The Chair of the EAC, who will demonstrate in-depth knowledge, skills and experience of evaluations, shall:

- Plan and oversee the conduct of the meetings;
- Report to the Board on relevant and material matters as appropriate; and
- Participate in and advise on the selection of EAC members in conjunction with the Governance Committee and the Board.

In the event that the Chair is unable to attend a scheduled meeting, the Chair will, after consultation with other EAC members, nominate a suitable substitute from the membership of the EAC.

## **C. Appointment and term of office**

All EAC members shall be appointed by the Board on the recommendation of the Governance Committee, in consultation with the Chair of the EAC. EAC members shall be appointed once every two years, with a maximum of three consecutive terms. The Board shall select the Committee Chair ("Chair") once every two years, with a maximum of three consecutive terms. All nominees to the EAC should be evaluated by the Governance Committee in consultation with the EAC Chair to ensure each individual meets the membership requirements set out in 2.B above and ensure the individual's competencies fit with the required competencies of the EAC.

The Secretary to the Board or his/her designated appointee shall be the Secretary of the Committee. The Secretary shall:

- Provide the link between the EAC, the Board and the Secretariat;
- Assist the EAC in developing good governance practices; and
- Ensure that the agenda, meeting papers and minutes and other materials to support the EAC are provided in a timely manner.

### **3. AUTHORITY**

The EAC shall regularly report on EAC activities to the Board and shall maintain open communications between EAC members and the Board as appropriate.

The Committee shall have the power to delegate on an exceptional basis its authority and duties to the EAC Chair or individual Committee members as it deems appropriate.

The EAC shall have reasonable access to information, Gavi personnel and relevant other Gavi parties, and external expertise as appropriate.

The mandate of the EAC is established in this terms of reference.

### **4. RESPONSIBILITIES**

It is the responsibility of the EAC, on behalf of the Board to:

- A. Review and approve Gavi's multi-year and annual evaluation work plans.
- B. Review the quality and usefulness of evaluation reports from the independent consultant.
- C. Review and approve Terms of Reference and selection of final contractor, for evaluations costing more than US\$ 500,000.
- D. Report on the work of the Committee to the Board as requested.
- E. Review and reassess the Gavi Alliance Evaluation Policy from time to time and recommend any proposed changes to the Board.

### **5. MODE OF OPERATION**

#### **A. Meeting attendance**

All Board members and their Alternates, who are not serving on the EAC, have the right to attend meetings of the EAC as observers but may not speak or participate in the proceedings except at the invitation of the EAC Chair.

Members of the Secretariat shall make themselves available to attend all EAC meetings as appropriate. Other observers may attend meetings under exceptional circumstances and contingent upon EAC Chair approval.

EAC members shall prepare for and actively participate in Committee meetings.

**B. Frequency of meetings**

The Committee shall meet at least twice annually or more frequently as the EAC Chair deems necessary. It is intended that the two annual meetings shall be face-to-face meetings.

Meetings shall be cognisant of coordination with the PPC at least once a year.

**C. Notice of meetings**

The Committee shall establish an annual calendar of activities so that meetings are known well in advance.

Notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee and other invitees is not less than two weeks prior to the date of such meeting and sent by email.

The notice will include relevant supporting papers for the agenda items to be discussed.

**D. Agenda**

The EAC Chair shall establish meeting agendas with the Secretary of the Committee and in consultation with EAC members and relevant members of the Secretariat. The EAC agenda and annual calendar of activities shall include matters for current consideration and emerging issues within its area of responsibility.

**E. Quorum**

The quorum for the EAC shall be a majority of EAC members.

**F. Conflict(s) of interest and declarations of interests**

All EAC members shall adhere to Gavi's Conflict of Interest and Ethics Policies and shall annually complete an Annual Declaration Form in accordance with these policies. The Declaration shall be updated by EAC members when required.

At the commencement of each meeting, each EAC member shall declare any actual or perceived conflict of interest arising in the matters before the Committee and the relevant provisions in the Statutes, By-laws and the Conflict of Interest Policy shall regulate participation.

**G. Voting**

All decisions should be by consensus.

**H. Minutes**

The Committee shall keep minutes of its meetings in accordance with Gavi's Statutes and By-laws and regularly report on its meetings and other activities to the Board.

### **I. Executive sessions**

From time to time, at the discretion of the EAC Chair, the Committee may hold closed sessions with such parties as it deems appropriate, together or separately without members of the Secretariat present (including the CEO).

## **6. ACCESS TO INFORMATION AND EXPERTISE**

The EAC is authorised by the Board to request the Secretariat to obtain independent professional advice as may be appropriate, at the expense of Gavi.

## **7. PERFORMANCE AND REVIEW**

The Committee will evaluate its performance at least once every five years having regard to the principles and requirements of its mandate as set out in these terms of reference and any additional activities undertaken during the year at the request of the Board.

The EAC shall report to the Board the results of its review and development actions arising.

The Board shall review these terms of reference as it deems necessary, normally in conjunction with the performance evaluation, to ensure their adequacy and that these remain relevant to the Committee's programme of work and in accordance with developments in best practice.