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Subject            **Governance Committee Chair Report**

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Category         **For Information**

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### **Section A: Introduction**

- This report provides the Board with an overview of the activities of the Governance Committee (GC) since the Committee Chair last reported to the Board in June 2023.
- The GC met virtually on 30 August 2023 and 3 October 2023 and will meet in person on 3 December 2023.
- In addition to some business such as Board and Committee nominations, the recruitment of Unaffiliated Board Members and the governance risk matrix, Committee discussions focused on work in relation to (i) the CEO recruitment process; (ii) the Delegation of Authority Policy; (iii) the Board and Board Committee Evaluation; (iv) the Ethics, Risk and Compliance Charter; and (v) guidelines for the dissemination of Board and Committee materials and a draft confidentiality undertaking for Board and Committee Members.
- At its meeting on 3 December 2023 the Governance Committee will, amongst other things, consider a recommendation relating to the appointment of the next Vice Chair to succeed Sarah Goulding who comes to the end of her second term on 31 December 2023, receive an update on Operational Excellence and Human Resources and consider the proposed action plan related to the implementation of the recommendations of the Board and Board Committee Evaluation.
- The GC Chair report is attached in the form of a presentation as Annex A.

### **Annexes**

**Annex A:** Governance Committee Chair report

# GOVERNANCE COMMITTEE CHAIR REPORT

BOARD MEETING

**Sarah Goulding**

6-7 December 2023, Accra, Ghana

# Routine (Recurring) Work

- Board and Committee nominations
- Recruitment of Unaffiliated Board Members (*GC Subcommittee*)
- Monitoring of application of Guiding Principles on Gender for Board and Committee nominations
- Monitoring of Governance Risk Matrix

# CEO Recruitment Process

- At its meetings on 30 August 2023 and 3 October 2023 respectively, the Governance Committee was updated on the status of the recruitment process.
- It was noted that in July 2023, the CEO Recruitment Search Committee agreed that Russell Reynolds Associates (RRA) be awarded the contract to support the search process for a new CEO.
- The Search Committee has had 8 meetings since July 2023, one of which included an Unconscious Bias training session, and will have a further meeting in Accra, Ghana, on 4 December 2023.
- The process is currently on track to have identified the chosen candidate by early 2024, noting that the date on which the candidate will take up the role will depend on their availability to do so e.g. notice period etc.
- At their meetings on 3 December 2023 and 6 December 2023 respectively, the Governance Committee and the Board (in closed session) will receive a further update on the process.

# Vice Chair Nomination Process

- Sarah Goulding was appointed Board Vice Chair effective 1 January 2020 through 31 December 2021 and was reappointed for a second term effective 1 January 2022 through 31 December 2023. As per Article 12 of Gavi's Statutes a Vice Chair can serve a maximum of two terms.
- At its meeting on 22 June 2023 the Governance Committee established a Subcommittee with delegated authority to manage the process.
- On 24 July 2023 the Board Chair invited Expressions of Interest from the Board by 1 September 2023 (extended to 29 September 2023) – two (male) Board Members formally expressed their interest in the role by the extended deadline.
- Both candidates were interviewed by the Board Vice Chair Subcommittee.
- The Subcommittee agreed that both candidates were excellent and well qualified, and when discussing the relative merits of each agreed, by consensus, on a preferred candidate for the role.
- At its meeting on 3 December 2023, the Governance Committee will be invited to consider the recommendation of the Subcommittee and subsequently recommend the appointment to the Board effective 1 January 2024.

# Delegation of Authority Policy

- At its meeting on 29 March 2023, the Governance Committee provided guidance on proposed amendments to Gavi's Delegation of Authority Policy.
- Noting that there had not been a substantial review of the policy since it was first implemented in 2011, the aim of this review was to ensure that the policy is fit for purpose for an organisation whose business has evolved significantly
- Governance Committee Chair, Sarah Goulding, and Governance Committee Members, Teresa Ressel and Deena Shiff, provided comprehensive input on proposed amendments and provided invaluable support to the Secretariat to develop Board/Committee oversight mechanisms for inclusion in the policy; focus on material and new/high risk transactions, as well as transparency and collaboration between the Board and the Secretariat.
- Additional consultations, including with the Chair of the Audit and Finance Committee (AFC), took place.
- The proposed final draft of the policy was presented to the Governance Committee at its meeting on 30 August 2023 and was subsequently approved by the Board at its meeting on 11 September 2023.
- At its meeting on 3 December 2023, the Governance Committee will consider some amendments to the Board and Board Committee Operating Procedures and the Audit and Finance Committee Charter to ensure alignment with the new Delegation of Authority Policy

# Board and Committee Evaluation

- The final report of the externally facilitated Board and Board Committee Evaluation was presented to the Governance Committee at its meeting on 3 August 2023 and to the Board at its meeting on 11 September 2023.
- The Governance Committee was tasked with conducting an in-depth review of the recommendations, agreeing on an action plan, overseeing its implementation and reporting back to the Board.
- At its meeting on 3 October 2023, the Governance Committee agreed to appoint a Subcommittee to oversee this work and report back to the Committee at its meeting on 3 December 2023.
- The Subcommittee met on 30 October 2023 and 15 November 2023 and agreed on an action plan which is being presented to the Governance Committee at its 3 December 2023 meeting for consideration. Once endorsed, it will be shared with the Board and used to implement the recommendations which will be taken forward by the Governance Committee and the Board as part of their formal forward workplan in 2024.
- Amongst other things, the Subcommittee focused on immediate action for reforms, including actions that be approved by the Board in December 2023, that were assessed as critical in promoting a positive organisational culture and addressing governance gaps i.e. reflecting the revised Delegation of Authority Policy in the Audit and Finance Committee charter and the recommended clarification in the Governance Committee Charter.
- The action plan groups the recommendations into four categories:
  - Those which are completed or which can be completed by the December 2023 Board meeting (7/25)
  - Those for which actions are planned for Q1/2 2024 (9/25)
  - Those which require further discussion/consultations during Q1/2 2024 (3/25 + 1\*)
  - Those for which the Subcommittee agreed that no further action is required (6/25)

# Board and Committee Evaluation - Key Messages (1/2) <sup>Annex A</sup>

The Gavi Board is committed to high performance as a Board, supporting a culture of learning to deliver impact, and upholding the highest standards of integrity. This is an important commitment by the Board, as the Alliance sets a new strategy for Gavi 6.0. Complimenting the other evaluations that have been undertaken, the Board and Board Committee Evaluation will enable us to enhance the effectiveness and efficiency of the current governance structure, systems and processes and ensure they are fit for purpose to achieve the Gavi 5.1 objectives and serve as important input into discussions on Gavi 6.0 (2026-2030).

- The Board and Board Committee Evaluation affirms we are a successful international, multi-stakeholder organisation with an effective, functioning governance structure.
- It identifies areas where we can strengthen our governance operations and oversight, which we will do.
- Overall, the Board agrees with the assessment, and will adopt recommendations to:
  - improve the ability of participation for members, countries, donors and partners, with a particular focus on strengthening the voice of implementing country constituencies;
  - provide clearer information flows between the Secretariat and the Board and Board Committees, thereby strengthening the evidence base for decision-making;
  - inform the Board governance workplan, foreshadow commitments and decision-making.
  - clearly outline the delegation of authority;
  - strengthen the connection between the information that comes to the Board around strategy, operations and impact; and
  - address the governance risks of fragmentation of oversight.



# Board and Committee Evaluation - Key Messages (2/2) <sup>Annex A</sup>

- A key finding of the evaluation was that many in the Board did not feel they had sufficient oversight over operations and impact. Alongside the recommendations to increase the efficiency and clarity of Board operations, in order to address this concern, the following measures are included in the action plan:
  - Improving the quality of the country/operational dashboards being presented to the PPC and Board, identifying overall trends and risks
  - Including the EAC Chair as a standing observer at the PPC
  - Ensuring that formal Gavi evaluations and management responses are shared with Board and PPC members when they are published
  - Establishing a standing item for Board meetings in advance of replenishments and of annual reviews in alignment of resource allocation to priorities across the portfolio

# Ethics, Risk and Compliance Charter

- At its meeting on 3 October 2023, the Governance Committee was invited to provide comments on the draft Ethics, Risk and Compliance (ERC) Charter.
- The draft ERC Charter was reviewed, from the risk perspective, by the Audit and Finance Committee at its meeting on 17 October 2023.
- At its meeting on 3 December 2023, the Governance Committee will be requested to consider recommending the final draft to the Board for approval at its meeting on 6-7 December 2023.
- The Charter:
  - Describes the ERC Mandate, Terms of Reference, Roles & Responsibilities
  - Enables a coordinated approach for strengthening a culture of ethics
  - Implementation activities aim to empower Gavi staff and Alliance partners to **do what's right** so that every day, our **decisions benefit society an those who depend on us**

# Dissemination of Board and Committee materials and Confidentiality Undertaking Annex A

- At its meeting on 29 March 2023, the Governance Committee received a report on a benchmarking exercise that had been done with comparator organisations in relation to the dissemination of Board and Committee materials and noted that it would be useful to have clear guidance on when and how Gavi Board and Committee materials can be disseminated.
- A draft document was shared with the Governance Committee on 17 May 2023 and again at its meetings on 22 June 2023 and 3 October 2023.
- At its meeting on 22 June 2023, the Committee also provided input to a draft confidentiality undertaking that Board and Committee members would be asked to sign annually.
- At its meeting on 3 October 2023, the Governance Committee endorsed both the dissemination *guidelines* and the *confidentiality undertaking*.
- The dissemination guidelines have been shared with the Board and posted on *BoardEffect*.
- All Board and Committee members will be invited to sign the confidentiality undertaking on an annual basis from January 2024.

# Recommendations to the Board

## 30 August

- Delegation of Authority Policy (*Approved by Board at meeting on 11 September 2023*)

## 3 October

- Board and Committee appointments (*Approved by Board by no-objection consent*)

## 3 December *to be considered for inclusion on Consent Agenda for December Board meeting*

- Appointments - Board Vice Chair, Board and Committee Members (including Committee Chairs), Independent Review Committee Members
- Dissolution of COVAX AMC Engagement Group
- Amendments to Board and Board Committee Operating Procedures and Board Committee Charters (*to reflect recommendations of the Board and Board Committee Evaluation and align with Delegation of Authority Policy*)
- Approval of new Ethics, Risk and Compliance Charter
- Request for waiver to Independent Review Committee Terms of Reference

# Thank you