



GAVI Alliance Board Meeting

12-13 June 2012

Capital Hilton Hotel, Washington, DC, USA

Sunday 10 and Monday 11 June: Pre-Board meetings

Tuesday 12 June: 08.30-18.15 (Board meeting Day One)

Wednesday 13 June: 08.30-17.00 (Board meeting Day Two)

Thursday 14 June: Post-Board meetings

Annex: Committee minutes

Annex Pages	MINUTES
1-9	- Executive Committee – 9 March 2012
10-20	- Audit and Finance Committee – 11 April 2012
21-27	- Evaluation Advisory Committee – 19-20 January 2012
28-29	- Evaluation Advisory Committee – 13 February 2012
30-33	- Governance Committee – 10 April 2012
34-43	- Governance Committee – 14 May 2012 (Decision slides)
44-46	- Investment Committee – 28 March 2012
47-49	- Investment Committee – 24 May 2012
50-54	- Programme and Policy Committee – 23-24 April 2012 (Decision slides)

Note: Minutes of Committee meetings since Dhaka are included for ease of reference. The Programme and Policy Committee minutes from 23-24 April 2012 and the Governance Committee minutes from 14 May 2012 are not yet approved. However, their decision slides are attached for information.



GAVI Alliance Executive Committee Meeting

9 March 2012

GAVI Alliance Offices, Geneva, Switzerland

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 9.05 Geneva time on 9 March 2012. Dagfinn Høybråten, Executive Committee Chair, chaired the meeting for Agenda Items 1 to 5. Geeta Rao Gupta, Executive Committee Vice Chair, chaired the meeting for Agenda Items 6 to 8 as the Chair had to absent himself from the meeting.
- 1.2 As this was his first time as Chair of the EC, the Chair shared his thoughts with the Committee on the work plan for 2012. He expressed his wish to have two in person full day EC meetings a year to be held in the quarter where there is not a Board meeting, which would give an opportunity for more considered and in depth discussions and enable the EC to take on a more strategic role.
- 1.3 The Chair recalled that the roles and responsibilities of the EC will be discussed at the Board retreat in Oslo in the broader context of a governance discussion. He indicated his personal view that the EC would be the place to discuss market sensitive issues, risk assessment for the organisation also beyond financial risks, performance indicators and relationships, resource mobilisation, programme funding, oversight of the business plan and the budget process, and oversight of the roadmaps under the supply and procurement strategy.
- 1.4 Standing declarations of interest were tabled to the Committee (Doc 01a in the Committee pack). Christopher Elias reported that as he had been President of PATH for 12 years before joining the Bill and Melinda Gates Foundation, in line with the Conflict of Interest Policy of the Foundation he would recuse himself, during a one year period, from discussions and/or decisions relating to grants that would influence PATH. He informed the EC that he would therefore do likewise in relation to PATH decisions at GAVI.

Discussion

- The EC welcomed the idea of having in person meetings as outlined by the Chair and looked forward to further discussing the roles of the EC at the Board retreat.

- The EC highlighted the role of the representatives of GAVI-eligible countries on the Board and the importance of ensuring their active engagement. In this context they were pleased to note that the Chair and CEO will attend a meeting of the Board members and alternates from GAVI-eligible countries which will take place in Oslo prior to the Board retreat.

Decision One

The GAVI Alliance Executive Committee:

- **Approved** the minutes of its meetings on
 - 26 September 2011
 - 15 November 2011

Olga Popova (Industrialised Country Vaccine Industry) recused herself and did not vote on approval of the commercially sensitive minutes of the 26 September 2011 meeting.

Executive Session

- The Chair informed the EC of the personal performance goals for 2012 that had been agreed between the CEO and the Chair. It was agreed that this will be followed up at the end of the year.
- The EC complemented the Chair on the process.

2. CEO Report

- 2.1 Seth Berkley gave his report to the EC highlighting that after seven months as CEO he had a better understanding of the organisation and the Alliance and its complexities. He had a clearer view of what is working well but also that there are a number of weaknesses and vulnerabilities which he will address with staff and partners in a sequential, prioritised way.
- 2.2 In his report the CEO addressed some of the changes being made in how GAVI works with countries. A cross-cutting team was being established, supported by experts in change management. This team would involve the partners. He referred to ongoing work with WHO and UNICEF to address the issue of improving coverage in countries with less than 70%. He provided information on his recent trip to India, and information on GAVI-related risks in DRC and Pakistan, where the federal health ministry has been abolished. The CEO reported that data quality is a key issue for GAVI and will therefore remain a key focus for the Secretariat. Work is also continuing on issues such as HSS, sustainability and market shaping. In relation to GAVI's long-term funding strategy the CEO highlighted that work on this is ongoing and will be presented to the Board in due course. Current thinking is that a replenishment event would be timely in late 2014 or early 2015. The CEO referred to the issue of GAVI funding for applied research directly relevant to

GAVI activities which will be discussed by the PPC before being presented to the Board in June. He concluded his report by informing the EC that René Karsenti had recently been appointed as Chair of IFFIm and that issues currently being discussed by IFFIm are the downgrading from AAA to AA+ by Standard & Poors, as well as the potential removal of GFA from the IFFIm structure.

- 2.3 The CEO addressed the issue of the action sheet arising from the Dhaka Board meeting and apologised that it had accidentally been circulated to the Board leading to a number of requests for revisions which in some cases would need to be decided by the Board. He indicated that it would be useful to have the EC's view on how this should be taken forward.

Discussion

- The Chair thanked the CEO for his report. He indicated that there had been a request to have a written report from the CEO and proposed that this should be for Board meetings only with oral reports to the EC. EC members agreed.
- The Chair referred to the circulation of the Dhaka action sheet for which the Board should also take responsibility. He had welcomed the idea of having an action sheet where the EC would be responsible for follow-up and as Chair he would like to see this implemented. It was agreed that for future Board meetings the actions would be presented for approval at the end of the meetings and that the EC should then be responsible for prioritising them. It was also agreed that the Secretariat should prioritise the actions on the revised tabled document.
- A request was made for information on the new internal organigramme and for information on how members of staff are being repurposed.
- With reference to the CEO's comments on his recent trip to India it was noted that in the context of the current political uncertainty in the country efforts should be made to ensure that the traction which has been achieved on vaccines should not be lost.
- In relation to the downgrading of IFFIm the CEO reassured the Executive Committee that should IFFIm be downgraded by another agency GAVI would not impact on GAVI's financial situation for 2012. There was therefore a number of months in which to amend the legal agreement with donors if necessary. An adviser is also being brought in to talk to the rating agencies.
- It was questioned whether applied research studies are within the GAVI mission and that WHO is mandated to set the research priorities.
- In response to a question on the status of the Ethics and Conflicts of Interest Policy the EC was reminded that there had been a request from the CSO constituency at the Dhaka Board meeting to put the policy out for public consultation. This request had however not been supported by a majority of the Board. Limited comments have been received from Board members to

date and there will be a discussion with the Chair of the Governance Committee to consider submitting the policy to the Governance Committee at their meeting in May, for subsequent submission to the June Board for approval.

3. Decade of Vaccines

- 3.1 The CEO informed the EC that up until recently there had been a number of questions on the role of GAVI in the DoV initiative recognising that some of the key partners are in the Alliance and that some of the elements of the DoV are already part of GAVI's business plan. He would welcome input from the EC in particular in the context of the DoV Global Vaccine Action Plan which will be presented to the WHA in May and the fact that the DoV Secretariat will cease to function at the end of 2012.

Discussion

- Christopher Elias, as former Co-Chair of the DoV Secretariat, and currently BMGF representative on the DoV leadership council, presented an overview to the EC of how the DoV collaboration had been initiated and progressed. Since the beginning the principal focus had been on presenting an action plan to the WHA for endorsement. It is anticipated that the WHA will call for clarity on the role of WHO. GAVI has been represented on the leadership council since the CEO was invited to join in September 2011 and on the steering committee from the beginning. Following the WHA further work will be required on articulating an accountability framework for DoV. A mechanism is needed for assessing progress over time.
- The EC agreed on the importance of ensuring that the DoV collaboration does not lead to the creation of any new entity. They agreed that one of the critical issues is who owns the vaccine plan and in this context the important role of countries and governments was highlighted. GAVI can indeed play an important role and already has the confidence of its partners to do its work. The EC agreed that GAVI should be offering its assistance if there is a need for support for the follow-up to the WHA. It was agreed that one of the challenges for GAVI, UNICEF, WHO and BMGF will be to monitor progress over the next decade by articulating a framework that can be tied to existing entities.
- The EC discussed concerns from donor countries on their lack of input to the process. They would like to see a paper that highlights opportunities from the GAVI perspective and GAVI's role. Immunisation is only one of a number of issues contributing to child survival and creating competition between them should be avoided.
- The EC agreed that the CEO should bring GAVI's view to the DoV leadership council, reporting back to the Board in June, and that the Partners' Forum in December would be an opportunity to do further work on this issue.

4. Alliance performance quarterly update

- 4.1 Helen Evans, Deputy CEO, presented information on the GAVI business plan structure, on the mission indicators and on the strategic goal indicators, and gave an update per strategic goal. She reminded EC that 2011 had been the first year of implementation of the performance management process and that a number of lessons had been learnt. The performance reporting process for the GAVI Strategy 2011-2015 is an improvement on previous reports but requires further refinement. In particular she noted the need to ensure deliverables focused on outcomes not simply processes. She also outlined the proposed business planning process for 2013-2014, noting that there was a need to ensure top guidance from the Board as well as bottom up planning by implementing partners..
- 4.2 Flavia Bustreo, as one of the co-managers of the business plan, expressed WHO's appreciation with the overall process which allows for quarterly discussions focusing on bottlenecks etc. There are still shared concerns in relation to underperforming countries and acknowledgement that in some of these countries there are challenges for development in general. In relation to the decision to open the HPV window one of the challenges for WHO is ensuring that countries introduce the vaccine in the fuller context of adolescent health. WHO would also welcome a stronger signal from the GAVI Board in relation to the relationship between health systems grants and immunisation. Many still focused on GAVI's previous model of broad health systems strengthening and there is a need to make a shift towards a strong focus on immunisation.
- 4.3 Geeta Rao Gupta, also as one of the co-managers of the business plan, welcomed the substantial improvements in the process with regular discussions on the business plan and on identifying gaps and what can be done to improve them. She highlighted that what the GAVI Alliance see as data issues are often symptoms of larger problems on the ground; for example, data problems are often a symptom of a systems failure. It is a challenge to focus HSS funding to ensure that countries strengthen what needs strengthening in the immunization programme. The issue of cold chain logistics is one which still requires improvement. There are improvement plans in place in many countries but some of these do not have the resources to implement the plans. In such circumstances it could be useful to analyse the sources of funding available in those countries and to identify where it is not being used appropriately and where there are gaps.

Discussion

- The EC appreciated the quarterly review of performance against the business plan and agreed that cold chain logistics and HSS are issues for concern for all GAVI partners. It was suggested that HSS focus should move to the operational from the conceptual and in this context the World Bank would welcome interaction with the Secretariat to discuss the operational design.
- The EC noted that the donor countries considered that the paper presented to the EC should have further highlighted the constraints and challenges and the

processes in place to address them. The constituency would have found it useful to have additional information on the supply constraint issue, how did we get there and what steps are being taken. They were also concerned about the lack of progress in relation to HSFP, that the plan is not coherent to achieve the goal. The constituency would welcome a document from the Secretariat, WHO and the World Bank analysing the <70% coverage. Additional information on the implications of the downgrading of IFFIm would have been welcomed, including information on the financial implications and the view of the World Bank. The constituency also felt strongly that the goals should be translated into deliverables and costed.

- The CEO and DCEO indicated that they would welcome guidance from the EC on the level of detail wished for in the quarterly reporting. It was agreed that reporting to the Board should be at the strategic level and that it may take some time to get the balance right.
- The EC noted that Japan has requested that one of the themes at the annual meetings of the IMF and World Bank, to be held in Japan in October 2012, would be health. The EC noted that a side event with the Ministers of Finance on immunisation was being organised.
- In relation to the business planning process for 2013-2014 some members of the EC wondered if the process should be for 3 years, to the end of 2015 in line with the strategic plan. It was agreed that a two-year cycle was more appropriate and that the process should incorporate a bottom up approach combined with strategic guidance from the Board in June. It was also agreed for the PPC and the AFC to have a joint meeting to look at the workplan and budget rather than considering them separately in each Committee.

Decision Two

The GAVI Alliance Executive Committee:

- **Endorsed** the business planning process described in section 5 of Doc 04 with the addition of holding a joint meeting of the PPC and AFC.

5. Risk management update

- 5.1 The Chair reminded the EC that the Board received an independent annual risk assessment from the internal auditor. The CEO therefore gave an overview to the EC on how the risks are looked at from the management perspective.

Discussion

- The EC was reminded that the risk register is updated quarterly and accessible for all Board members on myGAVI. It includes a ranking of the risks along with the trends and mitigation actions.

- The EC would welcome a vision of future risks in GAVI and would also welcome an analysis on ethics and conflicts of interest-related risks. It was also suggested that it might be useful to indicate what kinds of risk need to be escalated.
- The EC was satisfied overall with the diagnosis of risks but felt that perhaps more needed to be done on mitigation actions.
- In relation to excessive “closed vial” wastage which had been flagged by the internal auditor it was acknowledged that in-country partners do not always have incentives to alert GAVI on this and that CROs will need to be trained to be aware of this issue.

Geeta Rao Gupta, Executive Committee Vice Chair, chaired the meeting from this point forward.

6. Update on progress made in implementing earmarked funding pilots

- 6.1 Marie-Ange Saraka-Yao, Director, Programme Funding, updated the EC on progress made in implementing earmarked bilateral funding pilots with France and Germany.

Discussion

- The EC discussed the importance of having a mitigation strategy to ensure that other donors refrain from moving towards more earmarked funding. It was agreed that the pilots were implemented in response to exceptional circumstances and should continue to be considered as such. It was however acknowledged that funds from the private sector may have to be earmarked and that this might indeed open up new opportunities for funding.
- The EC requested that the review of progress and lessons learnt from earmarked funding from bilateral sovereign donors from GAVI be submitted to them at their September meeting before it goes to the Board.
- It was agreed that the EC could make recommendations to the Board on the future of earmarked funding, taking into account the contractual design and implications for the Secretariat and countries in terms of staffing, accounting and reporting.
- It was suggested that the EC might consider recommending a cap on how much of the overall funding of the organisation could be earmarked as well as defining a minimum donation for earmarked funding from sovereign donors. If the transaction costs were too prohibitive perhaps they could be charged back to the donor.

- It was agreed that funding should not be earmarked for activities other than those which are already approved through GAVI's annual processes, as was the case for Tanzania.
- It was pointed out that engaging the private sector will also bring advocates on board and that this could be a strategy to help roll out vaccines.

7. Review of decisions

- 7.1 Debbie Adams, Managing Director, Law and Governance, reviewed the decision language with the Committee.

8. Any other business

- 8.1 There was a brief discussion on the composition of the EC. In this context some of the EC members indicated that they would have found it appropriate to discuss the scope and Terms of Reference of the Board and Committee self-evaluation. The CEO reminded the EC that this exercise is being done in the context of the annual self-assessments which are foreseen in the Committee Charters and will provide input into a paper on roles and responsibilities which will be put forward by the Chair for discussion at the Board Retreat in Oslo.
- 8.2 Amie Batson provided the EC with information on the Child Survival Summit which will take place in Washington D.C. on 14-15 June.

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

- Dagfinn Høybråten, Chair
- Geeta Rao Gupta, Vice Chair
- Cristian Baeza
- Amie Batson
- Wayne Berson
- Ashutosh Garg
- George W. Wellde Jr.
- Seth Berkley (non-voting)

Alternates attending

- Olga Popova

Regrets

- Guillermo González González

GAVI

- Debbie Adams
- Helen Evans
- Joanne Goetz
- Ciara Goldstein
- Marie Ange Saraka-Yao
- Daniel Thornton

Guests

- Aksel Jakobsen, Senior Adviser to the Board Chair
- Gian Gandhi, Senior Adviser to the Board Vice Chair



GAVI Alliance Audit and Finance Committee Meeting

11 April 2012

Washington, DC, USA

FINAL MINUTES

1. Commencement

- 1.1 Finding a quorum of members present, the meeting commenced at 10.04 Washington time on 11 April 2012. Wayne Berson, Audit and Finance Committee Chair, chaired the meeting.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc 1a in the Committee pack).
- 1.3 The Committee reviewed the minutes of its meetings on 28 October 2011 (Doc 1b) and 3 November 2011 (Docs 1c). In addition, the Committee reviewed its action sheet (Doc 1d) and its forward workplan (Doc 1e).

Decision One

The GAVI Alliance Audit and Finance Committee:

- **Approved** the minutes of its meetings on:
 - 28 October 2011
 - 3 November 2011.

2. KPMG audit strategy

- 2.1 Pierre-Henri Pingeon and Karina Vartanova from GAVI's external auditor KPMG outlined their plan and strategy for the audit of the 2011 Annual Financial Report (Doc 2). They highlighted the purposes and objectives of the audit; key dates, deliverables, and audit areas; and risks.

Discussion

- KPMG confirmed that the audit of the financials for the IFFIm Company, which are consolidated into GAVI's financials, had not yet commenced.

- KPMG and the Secretariat confirmed that they are liaising as appropriate and that neither foresaw an issue that would trigger a management letter comment.
- Louis Mkanganwi, Director of Financial Reporting, noted that the audit of the GAVI Campaign had progressed well and was concluding.

3. Audit calendar

- 3.1 Louis Mkanganwi reviewed the 2011 audit calendar (Doc 3). This year's Annual Financial Report will consolidate the financial position of the GAVI Campaign in addition to the IFFIm Company and the GAVI Fund Affiliate (GFA). The audit is scheduled to conclude in September 2012.

Discussion

- The Secretariat and KPMG each confirmed that it was comfortable meeting the dates incorporated into the audit calendar.
- The Secretariat noted that GAVI would not be required to file an A-133 report with USAID for 2011.

4. Legal matters

- 4.1 Debbie Adams, Managing Director of Law and Governance reported the progress made to date on removing GFA from the IFFIm structure (Doc 4a). A major remaining question involves allocating GFA's responsibilities between GAVI and the IFFIm Company, particularly determining the initial beneficiary of donor grants. It is envisioned that the GAVI Board may be in a position to approve the revised IFFIm structure during its June 2012 meeting.
- 4.2 In addition, Debbie Adams reviewed GAVI's insurance coverage, including its level, scope, and cost (Doc 4b).

Discussion

- The Secretariat hopes that the new structure will be in place by the end of 2012. However, it first requires the assent of all parties to the IFFIm Finance Framework Agreement.
- The Committee conferred on the risk to GAVI's tax exempt status in the US by taking on GFA's responsibility to be the initial recipient of donor grants to IFFIm. The Secretariat projected that the tax exempt status would not be threatened by failing the US IRS "public support test," but that the major risk associated with the entire project was that this projection was incorrect. The Committee discussed the financial analysis underpinning the projection, and

the associated risk. Subsequently, the Committee asked the Secretariat to share a few relevant portions from legal opinions received on this matter with the Board when it comes time for its decision.

- The Committee discussed the result of negotiations with the insurance underwriters. It noted that it had reviewed the coverage and costs of the various insurance policies and the Secretariat's intention to purchase the policies. It also confirmed that Committee review of insurance coverage was sufficient, and that there was no need to make similar reports to the Board.

5. Programme funding approvals/forecasting

- 5.1 Tony Dutson, Senior Director of Finance and Chief Accounting Officer, informed the Committee of the updated financial forecast for 2012-2016, and that the Secretariat intended to request from the Board endorsement of programme budgets and approval of near-term financial commitments from programme budgets (Doc 5). In all, the Board will be asked to endorse multi-year programme budgets in the amount of US\$ 512,083,141 and near-term programme liabilities in the amount of \$141,618,440. He confirmed the Secretariat's opinion that GAVI could make these approvals in accordance with the Programme Funding Policy.

Discussion

- The Secretariat noted that projections incorporated demand for vaccines for which the Board had opened funding windows, including HPV vaccine. The demand projections did not include demand for vaccines incorporated into GAVI's vaccine investment portfolio but had not yet received Board approval for a funding window.
- The Committee noted that while some additional resources beyond the amounts currently forecasted would need to be raised to fully fund projected 2016 expenditures and also maintain the full cash reserve, the reserve would be sufficient to cover that need if it arose. The Committee also noted that while the Board endorses whole programmes, it only approves a component of those programmes for near-term financing. This is done for several reasons, one of which is to ensure there is sufficient cash available to place a near-term liability on the balance sheet.
- The Committee was comfortable proceeding and took note of ongoing risks and mitigation strategies. It posited that the most significant 'incoming resources risk' is posed by unfulfilled or late pledge payments; the most significant 'outgoing resources risk' is posed by higher than expected country demand.
- The financial forecast is reported on a cash basis, rather than on an accrual basis, because cash is required to pay near-term liabilities.

Decision Two

The GAVI Alliance Audit and Finance Committee:

- **Noted** that it reviewed the financial implications of the Programme Funding Plan, and that it could be approved by the Board or Executive Committee in accordance with the Programme Funding Policy.

6. Programme funding policy – enhancements

- 6.1 Barry Greene, Managing Director of Finance and Operations, proposed an arrangement for streamlining programme funding decisions (Doc 6). On a number of occasions in the course of each year, the Independent Review Committee (IRC) will recommend programmes for initial or continued support, the Audit and Finance Committee will review the programmes' financial implications, and the Board (or EC) will consider approving them. The current arrangement is responsive to countries but results in a burdensome meeting schedule for the governance bodies.
- 6.2 In response to guidance from the Board, the Secretariat developed options for streamlining the approvals process. The proposal would still require the Board (or EC) to directly approve all new requests for vaccine funding. However, funding for new Health Systems Funding Platform (HSFP) proposals extensions of existing programmes, and adjustments to programme budgets could be allotted by the Secretariat from within a Board-approved funding envelope, based on IRC recommendations and programme implementation. The Secretariat would be obligated to make periodic reports to the Board and Audit and Finance Committee on its actions, and would require affirmative approval for any funding allotment that exceeded the funding envelope.

Discussion

- The Secretariat confirmed that if the funding envelope approach was adopted, it intended to report to the Committee twice per year on funding decisions within the Board-approved funding envelope. It was also confirmed that the amount of funding that the Secretariat could allot would be affirmatively capped by the Board when the funding envelope was approved.
- The Committee highlighted that it would need to be able to monitor countries' drawdown of programme funds. The Secretariat noted that a "use it or lose it" policy was under development to govern slow drawdown.
- The Committee also inquired as to the process for approving additional doses for existing programmes. The Secretariat noted this would fall under either an extension or adjustment to existing programmes, and so the Secretariat could authorise funding of additional doses so long as this was in keeping with IRC recommendations and the cost was not so substantial as to breach the cap of the Board-approved funding envelope.

- The Committee agreed this was a sensible solution to streamlining approvals while providing appropriate Committee oversight and capping Secretariat discretion. It is a budget approach often found in the private sector. The Committee briefly considered whether to roll new proposals into the funding envelope process as well, but ultimately decided not to pursue that course for now.
- The Committee acknowledged the Secretariat's intention to formalise this process in a policy and present it to the Board for approval.

Decision Three

The GAVI Alliance Audit and Finance Committee:

- **Noted** that the Board should consider streamlining programme funding decision-making whereby:
 - The Board or Executive Committee would continue to directly approve all new requests for vaccine funding (i.e. all new proposals other than Health Systems Funding Platform [HSFP]).
 - For new HSFP proposals and for the extension and adjustment of existing vaccine and HSFP programme budgets, the Board or Executive Committee would each year approve a funding envelope from which the Secretariat would allot amounts to individual programmes in the course of the year and report back to the Audit and Finance Committee and the Board.

7. Report of the internal auditor

- 7.1 The Chair reported that Cees Klumper, Director of Internal Audit, had accepted the newly created position of Chief Risk Officer at the Global Fund and would be leaving GAVI on a full time basis at the end of the week. However, to ease GAVI's transition, he will continue to provide internal audit services on a part time basis until the new director is in place.
- 7.2 Subsequently, Cees Klumper summarised his main activities since his last update (Doc 7). One of these activities was to update the terms of reference for the internal audit function to highlight that (1) the Transparency and Accountability Policy (TAP) team reports to the Director of Internal Audit and (2) the Director cannot therefore provide independent assurance about certain aspects of TAP team activity given that reporting relationship. Mr Klumper asked the Committee to review the terms of reference and to consider approving them.

Discussion

- The Committee discussed the implication of the formal reporting relationship of the TAP team to the Director of Internal Audit. It acknowledged there are both benefits and drawbacks to this approach, but decided to approve the changes to the terms of reference as proposed. The Chair requested Cees Klumper to present a slide to the Board in June 2012 explaining the implications of having the TAP team report to the Director of Internal Audit.
- The Committee received a report on the investigation in Zambia and reasons for the slow pace of progress.
- The Committee inquired as to the role of countries' auditors-general when GAVI initiates an investigation in their countries. Cees Klumper highlighted that the TAP team often collaborates in investigations with an auditor-general's office, subject to an evaluation that its capacity and independence are sufficient for that purpose. Final judgment in these investigations always remains with TAP/Internal Audit.
- The Committee asked if and when the reports on Niger and Cameroon would be published. Discussions are in progress with the respective governments about the appropriate next steps, and the preference would be to publish the reports once agreements on, among other things, timing of restitution of misused funds have been reached. Should this take longer than a few weeks, publication will move ahead sooner.
- Cees Klumper reported that the TAP team had initiated certain changes to the practical application of the TAP policy in order to remove unnecessary bottlenecks in the flow of funds to countries that are mostly a carry-over from the initial implementation of the policy. Examples of these enhancements were requested.
- The Committee requested that Cees Klumper circulate to the Committee a list of the proposed Financial Management Assessments that have been or planned to be conducted during 2012.

Decision Four

The GAVI Alliance Audit and Finance Committee:

- **Recognised** Cees Klumper, Director of Internal Audit; expressed its appreciation for his efforts to create and build GAVI's internal audit programme; and congratulated him on his new role at the Global Fund.

Decision Five

The GAVI Alliance Audit and Finance Committee:

- **Approved** the proposed changes to Internal Audit's Terms of Reference as annexed in Doc 7.

8. Risk management

- 8.1 Helen Evans, Deputy CEO, updated the Committee on the key risks GAVI faces as identified by the Secretariat (Doc 8). This analysis incorporated input from Alliance partners, and was shared with the Executive Committee during its meeting on 9 March.

Discussion

- The Committee discussed factors that may impact the forecast of resources available to GAVI, particularly the impact of IFFIm's rating downgrade by S&P. The Secretariat explained how it is managing this risk.
- The Committee noted that the description of the risk associated with IFFIm's credit rating in the forecast paper is more comprehensive than the description in the risk paper, and should be incorporated into the latter.
- GAVI may wish to consider whether it should raise awareness in developing countries on TAP procedures, particularly with officials in ministries of health.

9. Accounting policy changes

- 9.1 Louis Mkanganwi explained several enhancements to the accounting policies (Doc 9). The Secretariat regularly reviews the policies and updates them as necessary, under the oversight of the Committee.
- 9.2 He explained changes to policies concerning the basis of consolidation; changes in reporting entity; expenses, accounts payable, and accrued expenses; cash, restricted cash, and cash equivalents; contributions and promises to give; and derivative instruments.

Discussion

- One consequence of these changes is that the GAVI Campaign financial position will be consolidated into the GAVI Alliance financials. The Alliance report will also include the Campaign's standalone financials. The Secretariat confirmed its belief that the consolidation of the Campaign will not affect the Campaign's US tax exempt status.
- The Committee also discussed the changes to the allocation of expenses, and their effects on the Overhead Administrative Expenses Ratio (Ratio). The Secretariat believes that the changed methodology will more accurately reflect activity. For clarity, the Secretariat is planning to disclose in the MD&A section the extent to which fluctuations to the Ratio are a result of changes in activity versus changes in methodology.
- The Committee acknowledged the enhancements to the accounting policies tabled as Doc 9.

10. Currency hedging

- 10.1 Tony Dutson informed the Committee on implementation of the Currency Hedging Policy, approved by Board in November 2011 (Doc 10). He reported that the Secretariat had received proposals from several banking institutions to help implement the strategy, and was narrowing the choices. He informed the Committee as to the names of the potential institutions, and the services they might provide.
- 10.2 Because a final selection was pending, the Secretariat suggested that the Committee may want to request authority from the Board to select the institutions and establish the banking relationships.

Discussion

- The Committee recognised the contribution of the World Bank, in working with the Secretariat on aspects of implementing the Policy.
- The Secretariat reiterated that the Policy served to mitigate currency exchange risk, and did not allow currency speculation. In short, because GAVI receives funds in various currencies and expends these mainly, but not exclusively, in US Dollars, it wants to mitigate the risk associated with keeping all its funds in US Dollars.
- The Secretariat confirmed that the banking institutions being reviewed have credit ratings that comply with GAVI's minimum credit quality requirement. One of GAVI's current banking institutions could have helped implement the Policy but as was reported to the Investment Committee on 28 March 2012, its credit rating had fallen just below the minimum requirement, and the Secretariat was considering new institutions to which to move funds already located at that bank.
- The Secretariat confirmed that the 2012 Business Plan budget incorporated hedging arrangements for Swiss Franc expenditures.

Decision Six

The GAVI Alliance Audit and Finance Committee:

- **Recommended** to the Board that it delegate to the Treasurer and the Audit and Finance Committee acting through its Chair, or any other such member of the Committee as decided by the Committee from time to time, the authority to establish new banking relationships in order to facilitate implementation of the Currency Hedging Policy, including the establishment of short-term investment accounts.

11. External auditor selection process

- 11.1 Louis Mkanganwi requested the Committee's initial input into the crafting of a formal external auditor selection policy as requested by the Board during its meeting in November 2011. He reminded the Committee of the historic rationale behind GAVI's selection process: that IFFIm Company and GFA represent the majority of GAVI's consolidated balance sheet; their treasury manager, the World Bank, has a policy that permits only its own external auditor access to financial records housed there; and that other major auditing firms have signalled that they cannot deliver clean audit opinions on IFFIm or GFA without sufficient access to those records.
- 11.2 As such, Louis Mkanganwi proposed several principles for the Committee's guidance prior to drafting a policy. First, GAVI should align its auditor rotation cycle with the World Bank's five-year rotation cycle. Second, the incumbent auditor should have the ability to bid for a successive cycle only once (for a total of ten years of audit services). Third, GAVI should communicate important issues to the World Bank for incorporation into the latter's auditor selection process. Fourth, GAVI's policy should reconfirm that its external auditor cannot generally provide consulting and non-assurance services.

Discussion

- The Committee discussed tax filing services that the external auditor currently provides, noting that these services are traditionally exempted from consulting prohibitions both in the general marketplace and at GAVI. The Committee felt it was appropriate for this carve out to remain.
- The Secretariat requested guidance as to whether the external auditor should be able to bid on TAP-related projects. The Committee determined that an external auditor may not bid for these projects because the TAP function is imbedded within the Secretariat's management structure.
- The Secretariat requested guidance as to whether GAVI should adopt a single auditor policy similar to the World Bank's policy. The Committee agreed that GAVI should have such a policy but that external requests for access to GAVI's financial records could be granted on an exceptional basis by the Audit and Finance Committee on the recommendation of the Secretariat.
- The Secretariat noted its intention to bring a policy on this matter to the Committee during the second half of 2012 for eventual recommendation and submission to the Board.

12. CEO reserve spending

- 12.1 In November 2011, the Board approved exceptionally US\$ 2.0 million for a one time CEO reserve, it being understood that expenditures from this

reserve would be made in consultation with the Executive Committee. The Secretariat reported that the reserve had not yet been used for any purpose.

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

Mr Kevin A. Klock
Assistant Secretary

Attachment A

Participants

Committee Members

- Wayne Berson, Chair
- Dwight Bush
- Dirk Gehl
- Tom Hunstad
- Derek Strocher
- Anne Schuchat

Regrets

- Micheline Gilbert

Secretariat

- Debbie Adams (in part)
- Fabrice Dutin
- Tony Dutson
- Helen Evans (in part)
- David Ferreira
- Barry Greene
- Kevin A. Klock
- Louis Mkanganwi

Internal Audit

- Cees Klumper (in part)

Guests

- Rob Lin, Bill & Melinda Gates Foundation
- Pierre-Henri Pingeon, KPMG (in part)
- Karina Vartanova, KPMG (in part)



GAVI Alliance Evaluation Advisory Committee Meeting

19-20 January 2012

Geneva, Switzerland

FINAL MINUTES

Introduction and welcome

Finding a quorum of members present, the meeting commenced at 9.00 Geneva time on 19 January 2012. Sania Nishtar, Committee Chair, chaired the meeting.

Seth Berkley, CEO of the GAVI Alliance, welcomed the Committee, highlighting the issues that they would be discussing during this meeting and stressing in particular their important role in the Full Country Evaluation process. He gave an overview of the decisions made by the GAVI Alliance Board at its meeting in November 2011 and indicated that there are a number of related issues which will be brought to the EAC in the future.

1. Chair's report

- 1.1 Standing declarations of interest were tabled to the Committee (Doc #1a). Alan Hinman indicated that although he did not have a Conflict of Interest he would recuse himself from the discussion on the CSO Evaluation under Agenda Item 5.
- 1.2 The Committee noted the minutes of its meeting of 13-14 September 2011 in Geneva (Doc #1b). These minutes were approved by no objection on 12 December 2011.

2. Update from the Secretariat

- 2.1 Peter Hansen, Director of Monitoring & Evaluation, presented information on the outcome of the GAVI Board meeting held in Dhaka, Bangladesh, in November 2011 and an update on monitoring and evaluation activities, in particular in relation to routine programme monitoring and targeted studies.

Discussion

- The Committee discussed the fact that there is potential to shape some of the indicators related to equity and in this context wondered whether it might be possible for GAVI to look at coverage in higher risk categories.
- In relation to the performance based funding mechanism the Committee discussed the increased risk of data quality and identified that the EAC might have a role to play in defining a practical evaluation agenda in relation to this mechanism.

In the context of the procurement process in relation to the Full country evaluations the formal EAC session adjourned. A confidential note of the discussion has been recorded separately.

3. Full country evaluations

- 3.1 Peter Hansen presented an update on developments since the last meeting.
- 3.2 The Committee discussed the process and assessed the strengths and limitations of the proposals.

Decision One

The GAVI Evaluation Advisory Committee:

- **Requested** the Secretariat to submit to the Committee a new RFP for the full country evaluations, taking into account the lessons learned from the tender process and the Committee deliberations.
- **Requested** the Secretariat to take the necessary steps to close the RFP process issued in June 2011.

4. Evaluation Policy

- 4.1 Abdallah Bchir, Senior Specialist, Monitoring & Evaluation, updated the Committee on the process for revision of the Evaluation Policy, which, once endorsed by the EAC, will be submitted to the GAVI Board for approval.

Discussion

It was noted that the EAC is not mentioned in the policy document, since the role of the EAC is described in the Committee's Charter.

The Committee agreed that whilst the content of the document was good it did require some restructuring. A revised document should be endorsed by the EAC through electronic resolution for submission to the Board for approval at their June 2012 meeting.

With input to the policy itself:

- The Committee endorsed the objectives.
- The document should capture the fact that evaluation is a process which does not end once the evaluation itself is finished.
- The structure should reflect aims, objectives, principles, criteria and approaches.
- Under 2.1 it was suggested that “information for the public good” is knowledge dissemination rather than knowledge generation. The Committee agreed that one of the offsprings of evaluation exercises will be normative instruments and that this could be captured in the text by the use of the phrase “and where relevant, related normative contributions.”
- Under Section 3 the Committee agreed that principles should be stated as short headlines in bold with qualifying footnotes or a short explanation.
- The first principle should be independence, impartiality etc.
- 3.1 should be reworded to read “GAVI’s evaluation activities should take into account the points of view of varied stakeholders in order to ensure appropriate ownership of the evaluation process and findings and their subsequent utilisation”.
- 3.2 should be reworded to read “GAVI’s evaluation activities should be conducted under prevailing circumstances in a sovereign environment, and show sensitivity (...).”
- 3.2 should be reworded to read “GAVI’s evaluation activities should address equity, gender and, where appropriate, discrimination, while ensuring (...).”
- 3.4 should be deleted as it is not a ‘Principle’.
- 3.5 should be reworded to read “Commitment to the Paris Declaration and international evaluation standards and guidelines.”
- Point 3.6 should be rephrased to firstly raise the issue of shared responsibility and then address contribution and attribution.
- 3.7 should be rephrased. The principle is “integrating evaluation and monitoring”.

- It was suggested that the Paris principles should be an annex to the Evaluation Policy. Certain wording in the Policy itself could subsequently be deleted or rephrased e.g. references to harmonisation under 3.8.
- 3.9 could be rephrased to include “linkage of evidence to policy in a timely manner at an appropriate level”.
- 3.10 should include a statement that the GAVI procurement process complies with best practice in procurement processes.
- It was agreed that the annexes should be maintained and it would be appropriate to ensure the terms as defined are used directly in the Policy.

Decision Two

The GAVI Evaluation Advisory Committee:

- **Requested** the Secretariat to submit to the Committee a revised Evaluation Policy that takes into account the Committees suggestions and points for inclusion and realignment.

5. CSO Evaluation: Review of quality and usefulness of evaluation

- 5.1 Abdallah Bchir provided the Committee with information on the background to the CSO Evaluation and the next steps following the EAC’s review of the quality and usefulness of the report. At the request of the Chair he gave an overview of the key findings of the report.
- 5.2 Following a brief statement on his views on the report Alan Hinman recused himself from the discussion and left the room.

Discussion

- The Committee validated the methodology used and agreed that this is a quality and useful report and a fair evaluation of a complex programme.
- Committee members pointed out that some of the conclusions of the report might be perceived negatively and the Committee suggested that the Board should be informed of this and that a communications strategy should be implemented when the report is released.
- The Committee noted that its remit was to provide feedback to the Board on the report, and not to provide guidance in terms of policy, which is within the remit of the Programme and Policy Committee.

Decision Three

The GAVI Evaluation Advisory Committee:

- **Endorsed** the report's methodology and conclusions and requested the Secretariat and Board to use the conclusions for framing policy aimed at Civil Society engagement and support in the future.

6. AMC Evaluation: Review of Request for Proposals

- 6.1 Abdallah Bchir provided the Committee with background information on the AMC evaluation, the purpose of the evaluation, progress to date and a summary of comments received on the RFP document.
- 6.2 Johanna Fihman, Programme Manager AVI, Policy and Performance, joined the meeting to respond to any specific questions the Committee might have on the AMC.

Discussion

- It was noted that the RFP lists four relevant principles, and that the evaluation policy also lists principles. The Committee suggested that there is a need to cross check the principles listed in RFPs with the principles listed in the policy and to ensure consistency.
- It was asked if this evaluation would look at the mechanisms used to establish the price paid for pneumococcal vaccine and whether it might lead to the price being lowered in the future. It was noted that these issues are captured within the evaluation questions but that the wording should be revisited to ensure that the RFP makes this very clear. The Committee agreed that it would be appropriate to add a few sentences on context, indicating that questions have been raised about the price paid for vaccines.
- The Committee noted that issues related to impact will be covered in the impact evaluation that will be conducted in 2014.

Decision Four

The GAVI Evaluation Advisory Committee:

- **Approved** the Request for Proposal (RFP) related to the Advance Market Commitment for Pneumococcal Vaccine Process and Design Evaluation (Annex 1 to Doc 06), as further revised during the EAC Meeting; and
- **Requested** the Secretariat to issue the revised RFP.

7. GAVI data warehouse and dashboard

- 7.1 Olivier Thomas, Senior M&E Information Manager, presented the GAVI data warehouse and dashboard to the Committee. He indicated that there are 3 types of users – internal, external (GAVI Board members etc.) and the public (e.g. through the GAVI web site).

Discussion

- The Committee commended the work of the Secretariat on the data warehouse and dashboard and the way they are being used by GAVI as knowledge management tools.

8. Review of Decisions

- 8.1 Debbie Adams, Managing Director, Law and Governance, reviewed the decision language with the Committee.

9. Any other business

Discussion

- The Committee agreed on the dates of their 2012 meetings and that the dates of the 2013 meetings should be discussed and agreed by them at their July 2012 meeting.
- The Committee discussed their workplan and agreed that their next in-person meeting would focus on selection of a bidder for the full country evaluations and on M&E approaches to graduating countries.

The Chair thanked the Committee and the Secretariat for their support and as there was no further business, the meeting was brought to a close.

Ms Debbie Adams
Secretary to the Board

Participants

Committee Members

- Sania Nishtar, Chair
- Stanley O. Foster
- Gonzalo Hernández
- Alan Hinman
- Mira Johri
- Rob Moodie
- Zenda Ofir (Day 1)
- Bernhard Schwärtlander

Board members present

- Seth Berkley (non-voting)

Secretariat

- Debbie Adams
- Abdallah Bchir
- Johanna Fihman (Agenda Item 6)
- Joanne Goetz
- Peter Hansen
- Laura Stormont
- Olivier Thomas (Agenda Item 7)

Independent experts

- Marta Gacic-Dobo (Agenda Item 3)
- Osvaldo Feinstein (Agenda Item 3)



GAVI Alliance Evaluation Advisory Committee Meeting

13 February 2012

Teleconference

FINAL MINUTES

Introduction and welcome

Finding a quorum of members present, the meeting commenced at 13.11 Geneva time on 13 February 2012. Sania Nishtar, Committee Chair, chaired the meeting.

1. Full country evaluations

- 1.1 Peter Hansen, Director of Monitoring & Evaluation, presented an update on developments since the last meeting, in particular discussions with UNICEF and WHO in relation to their possible contribution to the Full Country Evaluation process. Both organisations have shown interest in participating through annual surveys and health facility assessment respectively. It will however not be possible to get their commitment in writing before the RFP is published.
- 1.2 Peter Hansen highlighted the changes made to the RFP since the last meeting.
- 1.3 The Committee discussed the new RFP and proposed further revisions.

Decision One

The GAVI Evaluation Advisory Committee:

- **Requested** the Secretariat to issue a revised RFP taking into account the EAC comments.

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

Ms Debbie Adams
Secretary to the Board



Participants

Committee Members

- Sania Nishtar, Chair
- Stanley O. Foster
- Gonzalo Hernández
- Alan Hinman
- Rob Moodie
- Zenda Ofir

Secretariat

- Abdallah Bchir
- Joanne Goetz
- Peter Hansen
- Laura Stormont



GAVI Alliance Governance Committee Meeting

10 April 2012
Teleconference

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 17.00 Geneva time on 10 April 2012. Geeta Rao Gupta, Governance Committee Chair, chaired the meeting.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc 1 in the Committee pack).

2. Nominations

- 2.1 Kevin A. Klock, Head of Governance and Assistant Secretary, tabled nominations for seats on the Board and the Programme and Policy Committee (Doc 2). After Ronald Brus stepped down as CEO of Crucell, he decided he would step down from the GAVI Board as well. This triggered the industrialised country vaccine industry's nominations process, and resulted in the recommendation of Johan Van Hoof, new Managing Director of Crucell. Also, the constituency decided to replace its PPC member, but determined it would still be represented by a senior employee of Novartis.
- 2.2 George W. Welde, Jr, Chair of the Recruitment Subcommittee, commented on the identification of the unaffiliated Board member candidates, reviewing the search process for persons with the right skills and attributes. Several excellent candidates had emerged some time ago but both the Subcommittee and the candidates felt it was appropriate to ensure that the CEO was in place prior to moving nominations forward. George Welde noted that Her Royal Highness Princess Cristina is well known to the Board and a public champion of GAVI. Maria Freire has a strong background in vaccines, a characteristic previously missing among the unaffiliated Board members. Yifei Li is a very accomplished businessperson and can help open relationships in the Far East.

- 2.3 Seth Berkley, CEO, reported his support of the candidates, expressing his agreement with the Governance Committee's efforts to diversify the Board in terms of experience, circles of influence, gender, and nationality.

Discussion

- The Chair commended the Subcommittee, particularly given that appointment of the Board member candidates would result in full compliance with the Gender Policy Guidelines on Board Gender Balance.
- The Chair confirmed that none of the candidates were being considered for membership on the Executive Committee at this meeting.
- George Welde confirmed that though the Subcommittee did not request that recommended candidates confirm they will serve the full three-year term, he was confident that was their intention.

Decision One

The GAVI Alliance Governance Committee:

- **Recommended** to the Board that it appoint the following persons:
 - **Her Royal Highness the Infanta Cristina of Spain** as an Unaffiliated Board Member effective immediately and until 31 July 2015.
 - **Maria C. Freire** as an Unaffiliated Board Member effective immediately and until 31 July 2015.
 - **Yifei Li** as an Unaffiliated Board Member effective immediately and until 31 July 2015.
 - **Johan Van Hoof** as Board Member representing the industrialised country vaccine industry in the seat formerly occupied by Ronald Brus effective immediately and until 31 July 2014.

Olga Popova recused herself from discussion and voting on Johan Van Hoof's nomination given she is the Alternate Board Member for that constituency.

Decision Two

The GAVI Alliance Governance Committee:

- **Recommended** to the Board that it appoint Stefano Malvolti as a member of the Programme and Policy Committee in the seat currently occupied by Klaus Stohr effective immediately and until the committees are refreshed for the 2013 year.

Olga Popova recused herself from discussion and voting on Stefano Malvolti's nomination given she is the Alternate Board Member for that constituency.

3. Any other business

- 3.1 The Chair requested that the GAVI Alliance Secretariat Governance team begin to compile each of the Eligible Organisation and Eligible Constituency recruitment processes in one place. It was reiterated that this was not an effort to standardise processes, but to increase the transparency of GAVI Alliance Board member nomination procedures across the Alliance and to give the Committee a better understanding of these.

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

Mr Kevin A Klock
Assistant Secretary

Attachment A

Participants

Committee Members

- Geeta Rao Gupta, Chair
- Nicholas Alipui
- Jenny Da Rin
- Alan Hinman
- Siv Catherine Moe
- Olga Popova
- George W. Wellde, Jr.
- Seth Berkley (non-voting)

Regrets

- Dwight Bush
- José Luis Solano

Secretariat

- Helen Evans
- Kevin A. Klock



Review of decisions

*Governance Committee meeting
14 May 2012*



Decision 1: Minutes

— The GAVI Alliance Governance Committee:

- **Approved** the minutes of its meeting on 10 April 2012.

Decision 2: Governing documents (1/3)

— The GAVI Alliance Governance Committee:

Recommended to the Board that it amend the By-Laws as follows:

- **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

Decision 2: Governing documents (2/3)

- **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

Decision 2: Governing documents (3/3)

— The GAVI Alliance Governance Committee:

Recommended to the Board that it amend the Executive Committee Charter as follows:

- **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.

Decision 3: Ethics and CoI Policies

— The GAVI Alliance Governance Committee:

Recommended that the Board:

- **Approve** the GAVI Alliance Ethics Policy
- **Approve** the revised GAVI Alliance Conflict of Interest Policy

Decision 4: Nominations (1/3)

— The GAVI Alliance Governance Committee:

Recommended that the Board appoint the following persons to the respective committees:

- **Yifei Li** as a member of the Audit and Finance Committee effective immediately and until the committees are refreshed for the 2013 year.
- **Clarisse Loe Loumou** as a member of the Programme and Policy Committee in the seat currently occupied by Joan Awunyo-Akaba effective immediately and until the committees are refreshed for the 2013 year.

Decision 4: Nominations (2/3)

- **Magid Al-Gunaid** as a member of the Programme and Policy Committee effective immediately and until the committees are refreshed for the 2013 year.
- **Jos Vandelaer** as a member of the Programme and Policy Committee in the seat currently occupied by Mickey Chopra effective immediately and until the committees are refreshed for the 2013 year.
- **Maria C. Freire** as a member of the Governance Committee effective immediately and until the committees are refreshed for the 2013 year.

Decision 4: Nominations (3/3)

- **Angela Santoni** as a member of the Evaluation Advisory Committee effective immediately and until the earlier of the end of her Board term or 31 July 2015.
- **Bernhard Schwartlander** as a member of the Evaluation Advisory Committee effective immediately and until 31 July 2015.

Principle regarding Board Committee membership

- The Governance Committee recommends 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.



GAVI Alliance Investment Committee Meeting

28 March 2012
New York, NY USA

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 8.42 New York time on 28 March 2012. George W. Welde, Jr, Investment Committee Chair, chaired the meeting.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc 1a in the Committee pack).
- 1.3 The Committee reviewed the minutes of its meeting on 21 September 2011 (Doc 1b), noting the discussion on the security control agreement that backs a vaccine procurement deal with UNICEF and its implications on GAVI's ability to optimally invest funds. The Chair reported productive conversations with UNICEF on this matter.
- 1.4 The Committee reviewed its action sheet (Doc 1c) and forward workplan (Doc 1d).

Decision One

The GAVI Alliance Investment Committee:

- **Approved** the minutes of its meeting on 21 September 2011.

2. Portfolio overview

- 2.1 Jeanne Shen, Chief Investment Officer, provided an overview of the portfolio, highlighting 2011 sector returns; portfolio returns; peer comparisons of net returns; asset class allocation; the cash and short-term portfolio performance; and long-term portfolio sector allocation, credit quality, and liquidity (Doc 2). In addition, she reviewed the Secretariat's outlook for inflation levels and its strategies for addressing inflation risk. Finally, she reviewed the accounting implications of certain asset classes and reported the results of the latest Socially Responsible Investing (SRI) screening.

Discussion

- The Committee discussed the level of non-US Dollar currency holdings, noting that though the bulk of GAVI's spending is in US Dollars (and some administrative expenses are in Swiss Francs), certain new procurement obligations are in Euros. As a result, the Secretariat holds some funds received in Euros which it needs for future Euro expenditures, as a natural hedge against the foreign currency risk.
- The Committee also noted that the credit quality of the bank holding foreign currency deposits in Euros and Pounds sterling had fallen below the minimum credit quality level required under the Investment Policy agreed by the Board in Dhaka. Though the credit quality of this institution is still high, the Secretariat was considering new institutions to which to move these funds.

3. Portfolio transition

- 3.1 Jeanne Shen reported the transition plan to reallocate the portfolio in accordance with the new Investment Policy (Doc 3). She recommended one additional manager for the inflation hedge asset class allocation. She also informed the Committee that the Secretariat is focused on the introduction of equities and opportunistic strategies, noting that a key consideration is staff capacity for due diligence and risk monitoring. With respect to equities, the Secretariat will initiate the allocation via passive strategies. All in all, the overall transition plan will require twelve to eighteen months to implement.

Discussion

- The Committee noted the timelines for making investments in specific asset classes and progress to date, along with the Secretariat's intention to add the new manager.
- The Committee also discussed how the reallocation would occur, and the impact that the UNICEF lien on certain parts of the investment portfolio (see paragraph 1.3) would have on the reallocation.

4. Manager report - BlackRock

- 4.1 Rick Arney, Head of BlackRock Alternative Investments Strategy Group delivered an informational report on alternative investment approaches and trends (Doc #4). He discussed investment criteria, strategies in the marketplace, and the rationale underlying those approaches.

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

Mr Kevin A. Klock
Assistant Secretary



Attachment A

Participants

Committee Members

- George W. Welde, Jr, Chair
- Dwight Bush
- Paul Fife

Secretariat

- Edmund Fudzie
- Barry Greene
- Kevin A. Klock
- Alexandra Laheurte Sloyka
- Jeanne Shen

Guests

- Rick Arney, BlackRock (Item 4 only)
- Curtis Johnson, BlackRock (Item 4 only)
- Shana Mulkerin, Angeles Investment Advisors
- Michael Rosen, Angeles Investment Advisors



GAVI Alliance Investment Committee Meeting

24 May 2012
Teleconference

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 9.03 Washington time 24 May 2012. George W. Welde, Jr, Investment Committee Chair, chaired the meeting.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc 1a in the Committee pack). The Committee reviewed the minutes of its meeting on 28 March 2012 (Doc 1b), noting they had been approved on 1 May 2012. The Committee also reviewed its action sheet (Doc 1c) and forward workplan (Doc 1d).

2. Portfolio overview

- 2.1 Jeanne Shen, Chief Investment Officer, highlighted selected matters in the general capital markets environment and provided an overview of GAVI's portfolio (Doc 2).
- 2.2 Specifically, she commented on the credit quality of the banking sector, and revisions under consideration by US regulators to regulations of money markets funds. She described how GAVI and other potentially affected organisations may have to adjust to these factors.
- 2.3 With regard to the portfolio, she reviewed cash, short-term, and long-term portfolio performance; peer comparisons; contribution to mission; excess returns by sector; and individual manager performance and credit quality. She also reported the total assets under management for each of the portfolio funds, and commented on one instance in which GAVI assets comprised a large portion of a particular fund's assets under management.
- 2.4 Also, she updated the Committee on the transition of the portfolio to the asset allocation approved by the Board on 16-17 November 2011. Finally, she reported on the Socially Responsible Investing program, noting that the portfolio was in compliance with established thresholds. However, she commented that as GAVI added certain assets classes to the portfolio, the

SRI monitor would need to perform additional work, resulting in higher expenses.

Discussion

- The Committee was updated on continuing discussions with UNICEF on the nature of the financial security UNICEF requires from GAVI for long-term procurement commitments as part of GAVI's market shaping strategy. To review, the Committee continues to understand UNICEF's position that to enter into these arrangements, UNICEF requires upfront either cash or a lien on GAVI's investment portfolio to cover the entire value of each commitment. While these arrangements lower the price GAVI pays for vaccine, it also hampers GAVI's ability to adjust its asset allocation to optimise investments, reduce risk under volatile market conditions, or terminate poor performing managers without first seeking UNICEF's permission.
- The Secretariat reported it had explored with UNICEF whether a promissory note from GAVI, without any lien on its investments, could be acceptable. UNICEF confirmed that this is not feasible within its rules. Though the Secretariat and UNICEF will continue to explore alternatives, the Committee noted that as GAVI continues to pursue long-term procurement deals as part of its market shaping strategy, an increasing portion of the investment portfolio would be further restricted when liens are required. The Committee agreed that the dialogue with UNICEF should continue and that the Chair should advise the Board accordingly.
- The Committee took note of its previous discussion and determination to retain an investment manager with a global mandate, particularly one with exposure to developing country markets. The Secretariat updated the Committee on this manager's activities and the impact to the portfolio.
- The Committee noted the progress on the portfolio transition to new asset classes, commenting that it had been appropriately cautious, deliberate, and methodical.

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

Mr Kevin A. Klock
Assistant Secretary



Attachment A

Participants

Committee Members

- George W. Welde, Jr, Chair
- Paul Fife

Regrets

- Dwight Bush

Secretariat

- Edmund Fudzie
- Barry Greene
- Kevin A. Klock
- Alexandra Laheurte Sloyka
- Jeanne Shen

Guests

- Michael Rosen, Angeles Investment Advisors

Review of Decisions

Debbie Adams

*Programme and Policy Committee meeting
Geneva, Switzerland, 23-24 April 2012*



Decision One: Vaccine introduction grants and operational support for campaigns

- **The GAVI Alliance Programme and Policy Committee recommended** that the GAVI Alliance Board:
- **Approves** the vaccine introduction grant and operational support for campaigns policy, attached as Annex 1 to Doc 5 subject to the following amends:

Clause 2.3

Include the following at the end of the paragraph

“... and CSO and/or volunteer incentives for social mobilisation”

Clause 8.1

To allow for earlier introduction of the policy replace the suggested effective date from “January 2013” to “September 2012”

Decision Two: GAVI support to Civil Society Organisations

- **The GAVI Alliance Programme and Policy Committee recommended** that the GAVI Alliance Board:
- **Decides** that Government remains the default approach but direct funding for CSO activities can be requested as part of a country HSFP application (Option 3).

While provision of funds to CSOs through the HSFP is the recommended option, it should not limit GAVI's flexibility to engage CSOs directly where rare and exceptional circumstances require different approaches. Approaches should be developed in response to country-specific analysis.

- **Requests** the Secretariat to prepare an implementation framework recognising an increased risk in procurement and financial management and potential resource implications for the Secretariat and which draws on the findings of the evaluation of GAVI support to CSOs and presents why and how GAVI works with and supports CSOs.

Decision Three: GAVI's investment in research

The GAVI Alliance Programme and Policy Committee **recommended** that the GAVI Alliance Board:

- **Approves** an amount of up to US\$9.3 million for AVI-TAC to conduct two urgent pneumococcal studies and two urgent rotavirus studies over a three year period, through 2015.



www.gavialliance.org