



Gavi Alliance Board Meeting
4-5 December 2019
Hyatt Regency Hotel, Delhi, India

Board and Committee minutes

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Note

Minutes of Board and Committee meetings held since the Board meeting in Geneva in June 2019 are included in this document for ease of reference. Decision slides are included when meeting minutes have not been approved. The agenda of a meeting is provided when no decision was made or when discussions/decisions were commercially sensitive or confidential.

Gavi Alliance Board Meeting

26-27 June 2019

Global Health Campus, Geneva, Switzerland

1. Chair's Report

- 1.1 Finding a quorum of members present, the meeting commenced at 08.53 local time on 26 June 2019. Dr Ngozi Okonjo-Iweala, Board Chair, chaired the meeting.
- 1.2 The Chair welcomed new Board members and Alternate Board members, as well as Rob Moodie, Chair of the Evaluation Advisory Committee, Cyrus Ardalan, Chair of the International Finance Facility for Immunisation (IFFIm) and other directors of the IFFIm Board. She noted that departing members would be recognised for their service at the dinner that evening.
- 1.3 The Board met in closed session during the afternoon of 25 June to discuss a number of items including the CEO's 2019 mid-year performance review, vaccine supply related challenges, some country audit issues, as well as an initial discussion on what Gavi support to Middle Income Countries (MICs) might look like in the 2021-2025 strategic period.
- 1.4 Standing declarations of interest were tabled to the Board (Doc 01a in the Board pack). The Chair noted that in the context of the items for decision on the agenda, there were some Board members who would have conflicts of interest and that these would be raised at the appropriate time and recorded in the applicable section of the minutes.
- 1.5 The Board noted its minutes from 28-29 November 2018 (Doc 01b) which were approved by no objection on 27 February 2019. The Board also noted decisions approved by them by no-objection consent since the last meeting (Doc 01c), namely, appointments to the Board and Board Committees.
- 1.6 The Chair referred to the consent agenda (Doc 01d) where 11 recommendations were being presented to the Board for consideration. No requests had been received to place any of the consent agenda items on the main agenda. The decisions would be presented at the end of the meeting during the Review of Decisions.
- 1.7 The Board also noted its action sheet (Doc 01e) and workplan (Doc 01f) and the Chair encouraged Board members to contribute to the forward plan by raising issues which they may wish to add either with her directly or with the Board Secretary. She noted that the style of presentation of the workplan is more detailed and that it extends out to 2025 which should enable the Board to have a longer-term view of work going forward.

- 1.8 The Chair noted that Board members had provided important feedback on the draft agenda for this meeting and that based on that feedback the timing of the sessions related to the Gavi 2021-2025 Strategy (Gavi 5.0) has been extended. She expressed the hope that this would enable the Board to come to a decision on the strategy so that the Secretariat can move forward to prepare for the launch of the investment case in Japan at the end of August. She acknowledged the work of the Secretariat over the past months preparing for the important deliberations at this meeting.
- 1.9 Finally, she reported to the Board on a number of events she had attended since the last Board meeting, noting that it has become clear that there are several replenishments going on over the next period and that this was creating an environment which was somewhat competitive so extra efforts need to be made to ensure that it is clear what Gavi plans to do going forward, what is going to be different and what would be the core values for Gavi's work. She also noted that while there remains a great deal of uncertainty on the macro-economic and geopolitical fronts in the world with a slowdown being forecast, she still sees remarkable support for Gavi and that it is important that Gavi continues to stand out in a way that would merit this support. She referred to events she had attended at the World Economic Forum in Davos, Switzerland, at the African Leadership Meeting on Investment in Health in Ethiopia, and during the Spring meetings of the World Bank and International Monetary Fund (IMF). She also referred to visits she had carried out on behalf of Gavi to India, Saudi Arabia, Kuwait and Japan.
- 1.10 To close this session, a short film on Gavi's Mid-Term Review which had taken place in December 2018 in Abu Dhabi was shared with the Board.

Decision 1

In line with the process for the appointment of the Board Chair endorsed by the Board in June 2017, as read with Section 4.B of the Governance Committee Charter, the Gavi Alliance Board:

- a) **Delegated** to the Governance Committee the authority to set up and oversee the process for the recruitment of a Board Chair to succeed Dr Ngozi Okonjo-Iweala at the end of her term on 31 December 2020; and
- b) **Delegated** to the Governance Committee the authority to establish a Search Committee for this purpose.

Decision 2

The Gavi Alliance Board:

- a) **Reappointed** Nina Schwalbe as a member of the Evaluation Advisory Committee effective 1 January 2020 through 30 June 2021.
- b) **Appointed** Nina Schwalbe as Chair of the Evaluation Advisory Committee effective 1 July 2019 through 30 June 2021.

Decision 3

The Gavi Alliance Board:

a) **Appointed** the following Board Members:

- **Ferozuddin Feroz** of Afghanistan as Board member representing the developing country constituency in the seat currently held by Suad Youusif Abdallah Alkarib of Sudan, effective immediately and until 31 December 2020.
- **Arsen Torosyan** of Armenia as Board member representing the developing country constituency in the seat currently held by Sergey Khachatryan of Armenia, effective immediately and until 31 December 2021.
- **Peter Salama** as Board Member representing WHO in the seat currently held by Soumya Swaminathan, effective immediately and until his successor is appointed.
- **Craig Burgess** as Board Member representing the civil society organisations constituency in the seat currently held by Clarisse Loe Loumou, effective 1 July 2019 and until 30 June 2021.
- **Irene Koek** as Board Member representing the United States on the donor constituency anchored by the United States in the seat currently held by Sarah Goulding of Australia, effective 1 July 2019 and until 30 June 2021.
- **Muhammad Pate** as Board Member representing the World Bank in the seat currently held by Tim Evans, effective 1 July 2019 and until his successor is appointed.

b) **Amended the appointment** of the following Board member:

- **Afsaneh Beschloss** as an Unaffiliated Board Member in the seat formerly held by Yifei Li, effective 1 January 2020 and until 31 December 2022.

c) **Appointed** the following Alternate Board Members:

- **Asaad Hafeez** of Pakistan as Alternate Board member representing the developing country constituency in the seat currently held by Aamer Mehmood Kiani of Pakistan, effective immediately and until 31 December 2020.
- **Maty Dia** as Alternate Board Member representing the civil society organisations constituency in the seat currently held by Craig Burgess, effective 1 July 2019 and until 30 June 2021.
- **Sarah Goulding** as Alternate Board Member representing Australia on the donor constituency anchored by the United States in the seat currently held by Irene Koek of the United States, effective 1 July 2019 and until 30 June 2021.
- **Etleva Kadili** as Alternate Board Member representing UNICEF in the seat currently held by Ted Chaiban, effective 1 October 2019 and until her successor is appointed.

- d) **Appointed** the following to the Market-Sensitive Decisions Committee effective immediately:
- **Amir Aman Hagos** (Board Member) until 31 December 2019.
 - **Asaad Hafeez** (Alternate Board Member) until 31 December 2019.
- e) **Appointed** the following to the Market-Sensitive Decisions Committee effective 1 July 2019:
- **Craig Burgess** (Board Member) until 31 December 2019.
- f) **Appointed** the following to the Market-Sensitive Decisions Committee effective 1 October 2019:
- **Etleva Kadilli** (Alternate Board Member) until 31 December 2019.
- g) **Reappointed** the following to the Market-Sensitive Decisions Committee effective 1 July 2019:
- **Irene Koek** (Board Member) until 31 December 2019.
- h) **Appointed** the following to the Governance Committee effective 1 July 2019:
- **Craig Burgess** (Board Member) until 31 December 2019.
 - **Susan Silbermann** (Board Member) until 31 December 2019.
- i) **Appointed** the following to the Audit and Finance Committee effective 1 July 2019:
- **Maty Dia** (Alternate Board Member) until 31 December 2019.
- j) **Reappointed** the following to the Audit and Finance Committee effective 1 July 2019:
- **Irene Koek** (Board Member) until 31 December 2019.
- k) **Appointed** the following to the Evaluation Advisory Committee effective 1 July 2019:
- **Maty Dia** (Alternate Board Member) until 31 December 2019.
 - **Marta Nunes** (Board Member) until 31 December 2019.
 - **Juan Pablo Gutiérrez** (Independent Expert) until 31 December 2019.
 - **Ezzedine Mohsni** (Independent Expert) until 31 December 2019.

Decision 4

The Gavi Alliance Board:

Appointed Assietou Diouf as Treasurer with individual signatory authority, effective immediately and until her successor is appointed and qualified.

Decision 5

The Gavi Alliance Board:

Approved the updated and revised Evaluation Advisory Committee Terms of Reference as set out in Annex A to Doc 01d, effective from 1 July 2019.

Decision 6

The Gavi Alliance Board:

- a) **Approved** the Gavi Alliance Appeals Tribunal Statute and Rules of Procedure set out at Annex B to Doc 01d;
- b) **Reappointed** Claude Rouiller as a member of the Gavi Appeals Tribunal effective immediately for a term of five years;
- c) **Reappointed** Anne Trebilcock as a member of the Gavi Appeals Tribunal effective immediately for a term of three years;
- d) **Appointed** Chris de Cooker as a member of the Gavi Appeals Tribunal effective immediately for a term of five years;
- e) **Appointed** Jenny Schokkenbroek as a member of the Gavi Appeals Tribunal effective immediately for a term of five years; and
- f) **Appointed** Michael Wolf as a member of the Gavi Appeals Tribunal effective immediately for a term of five years.

Decision 7

The Gavi Alliance Board:

Approved the revised Audit and Investigations Terms of Reference as set out in Annex C to Doc 01d.

Decision 8

The Gavi Alliance Board:

Approved amendments to the Currency Hedging Policy as set out in Annex D to Doc 01d.

Decision 9

The Gavi Alliance Board:

Approved the revised and updated Gavi Evaluation Policy as set out in Annex E to Doc 01d, effective from 1 July 2019.

Decision 10

The Gavi Alliance Board:

Approved the use of unallocated or underspent funds under the Cold Chain Equipment Optimisation Platform to support a learning agenda to evaluate innovative cold chain equipment technologies and approaches that the Alliance may choose to scale in the next strategic period.

Decision 11

The Gavi Alliance Board:

- a) **Approved**, within the overall Partners Engagement Framework:
- i. A budget of US\$ 19.0 million for UNICEF Supply Division fees for the procurement of vaccines and related devices in 2020, and
 - ii. A budget of US\$ 4.3 million for UNICEF Supply Division fees for the procurement of cold chain equipment for 2020.
 - iii. That the budgetary amounts approved by the Board in the Board Meeting of 29-30 November 2017, for each component of the Gavi Engagement Framework and Budget for Partners and Secretariat for 2018 and separately for 2019, be now treated as an overall Budget amount which may be utilised over both years.
 - iv. That capital expenditure of the Secretariat in excess of the capital expenditure budget can be incurred within the overall amount of the Secretariat Engagement Framework and Capital Expenditure budgets for both years.
- b) **Noted** that the Audit and Finance Committee reviewed the financial implications of the recommendations as set out in Figure 1 in Doc 2a (*AFC, 25 April 2019*) and concluded that these could be approved by the Board in accordance with the

Programme Funding Policy, if so recommended by the Programme and Policy Committee.

2. CEO's Report

- 2.1 Seth Berkley, CEO, started his presentation by presenting an overview of global developments and trends, highlighting the road to Gavi's replenishment in 2020 in the context of the numerous replenishments of other organisations which will be taking place in the intervening period.
- 2.2 He highlighted Gavi's engagement at the recent G7 Health Ministers meeting in Paris, France, provided details relating to a number of ongoing collaborations with the 12 partner organisations who have signed up to the *Global Action Plan for healthy lives and well-being for all* and referred to the inaugural WHO Partners Forum which he had attended in Stockholm, Sweden, in April.
- 2.3 Dr Berkley referenced a recent report launched by the UN Secretary General on antimicrobial resistance (AMR) and provided examples to demonstrate the growing health impact of climate change.
- 2.4 He reported to the Board on ongoing Gavi programmes, namely related to oral cholera vaccine (OCV) and Gavi's contribution to the work being done to contain the Ebola outbreak in the Democratic Republic of the Congo (DRC). He highlighted concerns related to the global resurgence of measles as well as to increased vaccine hesitancy worldwide.
- 2.5 Dr Berkley provided an update on the polio eradication status, highlighting the growing collaboration between Gavi and the Global Polio Eradication Initiative (GPEI) to strengthen routine immunisation and confirmed that he now sits on the Polio Oversight Board.
- 2.6 He provided information to the Board in relation to the initial roll-out of typhoid conjugate vaccine (TCV) with Gavi support, as well as initial data from the large-scale TCV efficacy trial. He also referred to the recent launch of the first pilots of RTS,S malaria vaccine and recalled that the Board would be asked to consider a decision on funding for the second phase at its meeting in December 2019. He flagged concerns relating to human papillomavirus (HPV) vaccine supply constraints which continue to delay vaccine scale-up.
- 2.7 Dr Berkley reported briefly on ongoing work in Nigeria, Syria and Sudan and provided an overview on vaccine introductions in 2019, highlighting that all 73 Gavi-supported countries have now introduced Inactivated Poliovirus (IPV) vaccine. On coverage and equity, he indicated that while Gavi is reaching more children, it is still a struggle to reach the zero-dose children.
- 2.8 He highlighted that health systems strengthening (HSS) disbursements are scaling up and provided examples from the Central African Republic and Pakistan to demonstrate the impact of HSS support in fragile contexts.

- 2.9 Referencing the important discussions to take place during this meeting on the 2021-2025 Strategy, Dr Berkley highlighted what would be some of the key shifts between Gavi 4.0 and Gavi 5.0 if the 5.0 strategy one-pager is approved. He also referred briefly to possible funding scenarios for the next strategic period and highlighted the importance of numerous evaluations which have been used to inform the Gavi 5.0 strategy.
- 2.10 He provided a brief Alliance update, mentioning some recent IFFIm (International Finance Facility for Immunisation) transactions, referring to a number of recent changes in partner leadership and to the imminent retirement of Hind Khatib-Othman, Managing Director, Country Programmes and Barry Greene, Managing Director, Finance and Operations.
- 2.11 Finally, he referred to the ongoing work to update Secretariat systems with the roll-out of a new ERP (enterprise resource planning) system expected on 1 October 2019 and to the items that were being presented to the Board at this meeting for consideration.

Discussion

- Board members expressed their gratitude to the two outgoing Managing Directors for their dedication and their valuable contributions to the organisation as they both prepare to retire.
- Board members commended the work being done across the Alliance in relation to the Ebola outbreak in DRC. They noted that in this context, with a continuous circulation of wild polio virus in communities, the importance of community engagement and integrated approaches has been highlighted and should continue to be strengthened in Gavi 5.0.
- Board members welcomed the collaborative nature of the work being done in the context of the *Global Action Plan for healthy lives and well-being for all* and it was suggested that it will now be important to ensure that the work moves to the country level and engages Ministries of Health to develop sector wide plans for all to support.
- It was also suggested that with the new strategy including a focus on zero-dose children, a new approach will be required by the Alliance partners and therefore it would be useful to ensure that accountability for results is further strengthened through effective monitoring under the Partners' Engagement Framework (PEF).
- Board members expressed concerns in relation to vaccine supply shortages and it was suggested that the Alliance focusses on both supply bottlenecks and policies impacting demand, for instance the surge in global demand for HPV on account of global technical guidance which is not focusing on areas of highest disease incidence creating shortages of supply in Gavi supported countries.
- Board members appreciated Gavi's engagement in relation to gender-related barriers and Gavi's continued leadership in this area and emphasised the high importance of continued innovations in pro-gender programming.

- In the context of a discussion on the resurgence of measles, it was noted that this can also be because of weak underlying systems. Therefore, the importance of strengthening routine immunisation and finding the right balance between routine immunisation, campaigns and outbreak response will be critical, the aim being to focus on low coverage communities and progressively reducing dependence on campaigns/outbreak response.
- Board members were encouraged by the progress reported on in Nigeria.
- In relation to HSS support it was suggested that Gavi needs to consider how to make HSS support even more strategic, moving away from quick fixes towards sustainable solutions and extension of services to populations suffering from health disparities.
- Board members noted the breadth of evaluations which have been carried out to ensure that Gavi stays a learning organisation.
- In relation to a question on the response of social media companies to the CEO's outreach addressing vaccine hesitancy and misinformation, he confirmed that they have not been particularly responsive so far. He noted that there is also outreach from individual countries and highlighted the importance of continuing to build pressure for action.

3. 2016-2020 Strategy: Progress, Challenges and Risks

- 3.1 Anuradha Gupta, Deputy CEO, presented a report to the Board on progress in implementing the 2016-2020 Strategy (Doc 03). The report included a summary of the progress, challenges and associated risks in achieving the 2016-2020 Strategy, including a holistic view across the Alliance's portfolio of support to countries including vaccine programmes, Health System and Immunisation Strengthening (HSIS) support and technical support provided by partners under the Partners' Engagement Framework (PEF).
- 3.2 As WHO-UNICEF coverage estimates (WUENIC) for 2018 will only be released in July, her presentation provided a quantitative update on a limited number of strategy indicators for which new data had become available and in addition a more qualitative perspective of progress across the four Strategic Goals.

Discussion

- Board members appreciated the transparent update on progress and challenges on coverage and equity in the current strategic period and noted that it will be important to roll lessons from this experience into the next strategic period. They welcomed early indication of progress on equity. Board members were also encouraged by the increased emphasis on gender, sub-national approaches, data quality, and collaboration with the Global Polio Eradication Initiative (GPEI).

- The report to the Board had reviewed the Alliance's Key Performance Indicators (KPIs), flagging those that were behind target. One of the KPIs is time taken to disburse funds, which Board members encouraged the Secretariat to review, redesign, simplify, and accelerate. Ms Gupta confirmed that as part of the Gavi 5.0 operationalisation, a rigorous review of portfolio management processes will be undertaken to simplify and redesign the processes to increase efficiency and effectiveness.
- Several Board members stressed the issue of redesigning and simplifying the operating model for Gavi 5.0, to achieve further efficiencies. Another issue was the risk appetite within fragile contexts within the current strategic period and how Gavi will address this in the next period. Several members supported the proposal of creating a task team, together with the Secretariat, to review the operational model in place for fragile settings.
- Several Board members raised the role of campaigns versus routine immunisation (RI) as an area that requires further consideration. It was suggested that Gavi's learning agenda focus on how to improve both routine immunisation and quality of campaigns to make sure countries have to depend less and less on campaigns. Both routine immunisation and campaigns are currently not reaching zero dose children going forward, new thinking is required and should be presented by partners as recommended by the Programme and Policy Committee (PPC). Considerations of programmatic and financial sustainability should also be kept in view including how countries could co-share the costs of campaigns and outbreak response.
- Board members also remarked that the increase in levels of co-financing has been a particular success for Gavi, and that this also has been important in terms of building political will for immunisation as a preventive intervention and best buy in public health. It was suggested that it could be useful to look at some countries where co-financing might still be provided by donors or other partners.
- Several Board members also touched on recent supply challenges, particularly with regard to HPV and recommended that Gavi should act in an accelerated fashion to work with manufacturers and the Strategic Group of Experts (SAGE) on Immunization for a prioritisation framework which clearly sets out the countries and age cohorts to be prioritised from a public health impact perspective. Board members also queried the demand forecasting process and asked about what type of accountability mechanism is in place for manufacturers to follow up on commitments. One Board member expressed concern that a shortage of supply can also impact trust in the system at the delivery point. Board members representing both WHO and the vaccine manufacturers assured that they would examine the issue of HPV vaccine shortages in Gavi countries and come back with a proposed way forward.
- Several Board members expressed concern about vaccine hesitancy and questioned whether Gavi was prepared to engage in a meaningful way if there was a surge in a Gavi-eligible country. Others raised broader demand-related queries, including encouraging Gavi to engage more with community-based partnerships.

- One country representative provided a personal perspective from his country's experience and encouraged Gavi to continue its advocacy efforts and leadership engagement, as this has been a powerful tool for unlocking domestic resources and leadership. He also encouraged Gavi to consider how it makes partners at the country level more accountable to countries, a view that others seconded.

4. Replenishment 2020

- 4.1 For this agenda item, the Gavi Board welcomed two guests to address the Board regarding the upcoming Gavi replenishment process: Masashi Nakagome, Minister at the Permanent Mission of Japan in Geneva, and Richard Clarke, Director-General for Policy, Research and Humanitarian, Department of International Development (DFID) of the United Kingdom.
- 4.2 Mr Nakagome confirmed that the replenishment process will begin at a high-level event hosted by the Japanese government on the occasion of TICAD 7 in Yokohama in August 2019, where Gavi will launch its investment opportunity for the next period. An invitation to Board members will be forthcoming.
- 4.3 Mr Clarke spoke about challenges, approach and priorities related to the pledging event that will take place in London in the summer of 2020. He identified six main thematic challenges that he thought should be prioritised, including: (i) Conflict and fragility; (ii) Urban settings/displacement; (iii) Climate change; (iv) Equity; (v) Vaccine hesitancy; and (vi) Strengthening resilience of health security (e.g. Ebola).
- 4.4 He also set out three priorities for DFID as it plans for replenishment: (i) Commitment. Gavi is an entity with cross-party public support and as an example of Global Britain. There is high commitment to taking this forward; (ii) Prioritisation. Gavi as an alliance needs to start talking about trade-offs and how to prioritise, and to be bold and calm in embracing them; and (iii) Importance of global health collaboration and the need to link this to Gavi's strategy.

Discussion

- Board members expressed their appreciation to Mr Nakagome and Mr Clarke for their remarks and for their countries' leadership and commitment.
- Board members indicated that they felt encouraged by the two presentations and followed-up with questions about how the two countries plan to inspire potential donors that seem less enthusiastic about taking part.
- The guests indicated that this is an advocacy opportunity and it will be important to make taxpayers aware of the opportunity, to clearly articulate the expected outcomes of the replenishment, address the risk that new political administrations may want to invest in something new rather than Gavi again, and make clear the value of the investment as opposed to other options.

5. Road to Replenishment

- 5.1 Marie-Ange Saraka-Yao, Managing Director, Resource Mobilisation, Private Sector Partnerships and Innovative Finance, presented a for-information update on the roadmap to replenishment 2020 (Doc 05).
- 5.2 Her presentation highlighted the status of the organisation's resource mobilisation efforts needed to close the 2016-2020 period.

Discussion

- Board members asked how they, and their networks, could help contribute to the process, and made suggestions for potential innovative approaches and new partners. A Board member advised that Gavi's resource mobilisation communication should be clear about the role that innovative financing mechanisms, including IFFIm, will play in the replenishment.
- Board members requested that a link be clearly made between the investment case and strategy.
- Board members also made suggestions around additional elements to include or strengthen in the argument, such as reaching zero-dose children, driving prices down, working across sectors, mobilising more domestic resources over the strategic period, the contribution of the private sector, and the additional costs of reaching the unreached in light of its importance from an equity point of view.
- One Board member questioned whether it was too ambitious for Gavi to schedule a Board meeting at the same time as the pledging event.
- It was suggested that if Gavi is hoping to bring on board more philanthropists, it will be important to demonstrate to them that their funding will be used to improve efficiency in countries, and as such, it was noted that developing country ministers have an important role to play.
- It was noted that the WHA and its resolutions could potentially be used as a strategic platform to make sure countries meet commitments.
- It was also suggested that Gavi carefully tailor its pitch to potential donors depending on their known interests (e.g. highlighting Gavi's linkages to areas such as climate change, antimicrobial resistance, Ebola, or refugees).

6. Gavi 5.0: The Alliance's 2021-2025 Strategy

- 6.1 The Chair introduced this item, commending the direct engagement of the Board that demonstrates their commitment to the process.
- 6.2 She highlighted the importance, in light of the work done to date and the work left to do going forward, of the Board approving at this meeting the high-level strategy

framework with Gavi's 2021-2025 vision, mission, principles and strategic goals, aligned with the Sustainable Development Goals (SDGs), so as to enable operationalisation of the strategy which will require several touch points with the Board over the next 18 months.

- 6.3 She highlighted that the new strategy will focus on equity as an organising principle, prioritisation of new vaccines at the country level, gender, demand, innovation and sustainability.
- 6.4 Finally, she provided reassurance that approval of the strategy one-pager is not a decision on expenditure, and indicated that a proposal had been tabled to include some decision language to clarify Gavi's potential engagement with Middle Income Countries (MICs) going forward.
- 6.5 Adrien de Chaisemartin, Director, Strategy, Funding and Performance, recalled the strategy development process which had taken place over the past 15 months. He highlighted that the next strategic period will be critical for the Alliance's new 2030 aspiration. Mr de Chaisemartin presented the nine principles of the new strategy as well as the four strategic goals.
- 6.6 Seth Berkley, CEO, then presented the proposed additional new decision language relating to MICs, highlighting some differences relating to what is being proposed as post-transition support for former Gavi MICs (which might include advocacy and political will building; market shaping; limited catalytic funding support for new vaccine introductions if needed; technical assistance; and support for new technologies/innovations) and never Gavi-eligible MICs. For countries in the latter category with GNI per capita of less than US\$ 4,000, it is envisaged that the same types of support as for former Gavi eligible countries might be considered. For countries with GNI per capita between US\$ 4,000 and US\$ 6,000 there would be an assessment on whether based on their context and needs, some support should be made available to target specific bottlenecks.
- 6.7 Dr Berkley indicated that with the Board guidance to explore the topic further, a detailed approach would be developed and presented to the Programme and Policy Committee (PPC) and Board over the next 12 months.

Discussion

- Board members were supportive of the introduction of additional decision language around MICs. The proposed wording was introduced and the final wording discussed and agreed by the Board.
- One Board member commented that in discussions with the Secretariat since the 3 June Board teleconference, it had been agreed to modify some of the wording of the one-pager to strengthen the principles around gender. The Secretariat concurred that this had indeed been agreed in the context of a follow-up action from that meeting and the new wording was presented and agreed by the Board.
- It was agreed that an equity indicator should be included in the strategy.

- Board members noted a number of issues which would be elaborated on during the operationalisation phase of the strategy, e.g. issues relating to conflicts and fragility, tailoring of interventions in countries, etc.
- A number of Board members proposed changes to the wording of different sections of the strategy one-pager. The Board Chair highlighted that it was inappropriate at this stage for the Board to be proposing such detailed changes. Some limited amendments were subsequently discussed and agreed by the Board.
- In relation to a question from a Board member on the link between this decision and the investment case for the replenishment, the CEO clarified that the investment case will be based upon the Board's deliberations and decisions around the new strategy.
- In response to a question, The CEO confirmed that Gavi does not encourage the earmarking of funds by donors. Should the Alliance find itself in a position whereby the full replenishment ask is not obtained, it will be the responsibility of the Board, working with the Secretariat, to prioritise activities, taking into account different potential trade-offs.
- In relation to the MICs, the Board member representing the developing country vaccine manufacturers requested further engagement with their constituency, when developing the details of the approach, considering in particular that they comprise 40 vaccine manufacturers in total, many of whom have experience dealing with transitioned and MIC countries. It was agreed that it would be useful to consult with these manufacturers throughout the process.

Decision 12

The Gavi Alliance Board:

Approved the framework for the Alliance strategy 2021-2025 ('strategy one-pager'¹) as set out in Doc 06, as amended by discussions at the Board.

Decision 13

As part of the discussion on the high-level strategy enshrined in the one-pager further explained in the Gavi 5.0 Board paper (Doc 06), and with reference to Goal 3, Objective C, the Gavi Alliance Board **agreed** that:

- a) Gavi's post-transition support to former Gavi-eligible countries should be institutionalised and **requested** the Secretariat to develop and bring back to the Board an approach focusing on political advocacy, technical assistance, innovation, market shaping and catalytic financial support to jumpstart vaccine introductions.
- b) Recognising that many never Gavi-eligible countries with GNI per capita of less than US\$ 4,000 face similar challenges and contexts as former Gavi-eligible countries, the

¹ Attached as Annex A to these minutes

Secretariat should also explore options to engage with these countries based on the same set of modalities.

- c) The Secretariat should also explore options to engage with never Gavi-eligible countries with GNI per capita of between US\$ 4,000 and US\$ 6,000 although based on the needs, the modalities of engagement may be different.
- d) Engagement with former and never-eligible Gavi countries should account for no more than 3% of Gavi planned expenditure in the 2021-2025 period.
- e) The decision on Gavi's approach to engagement with never-eligible countries will require Board approval and will, therefore, follow the usual governance process including review by the Programme and Policy Committee prior to Board consideration.

7. Gavi 5.0: Operationalising the Alliance's 2021-2025 Strategy

- 7.1 Anuradha Gupta, Deputy CEO, presented the high-level approach for operationalising the Alliance's 2021-2025 strategy (Gavi 5.0) found in Doc 07.
- 7.2 The operationalisation phase will be articulated around six workstreams, which include:
 - Development of a measurement and accountability framework for implementation of the overall strategy;
 - Review of Gavi's core funding policies to ensure they are fit for purpose;
 - Refinement of programmatic approaches in line with the key thrusts of Gavi 5.0;
 - Re-engineering of portfolio management processes and tools to ensure simplification and efficiency;
 - Review of the partner engagement mode to further enhance country leadership and ownership, transparency and accountability besides sustainability; and
 - A cross-cutting approach to innovation across immunisation products, services and practices (including private sector partnerships), with a focus on using innovations to unlock equity bottlenecks with a focus on Gavi's comparative advantage of scale.

Discussion

- Several Board members commented that the right workstreams had been identified and that simplification should be an organising theme. Gavi should aim to draw lessons from other organisations on means of simplification.
- One Board member noted that Gavi should pause to take lessons from the process to develop Gavi 4.0 and the intention to simplify at the time, which in the end did not fully materialise, so that Gavi succeeds this time.

- It was proposed that Gavi seek to differentiate its operating model and identify some 'low hanging fruit.' Board members suggested that Gavi could consider a radical redesign of some of its processes and put in place some innovative pilots. For example, in those countries where Gavi is satisfied with the robustness of the country process, Gavi could put in place a more simplified process, requiring a simpler plan and simpler approval process; or could consolidate the number of windows of support in those countries to allow them the flexibility to best manage the funds, while still holding them accountable. Gavi should look at how other organisations are engaging in these countries.
- Several Board members indicated that if Gavi proceeds with such a differentiated approach within its operating model, it will be critical to have a discussion on the trade-offs that will come with it, including those related to simplicity and risk.
- Board members encouraged Gavi to strive to dramatically reduce the time to disburse HSS funding as the current situation was untenable.
- Several Board members indicated that Gavi should be applying a strengthened partnership focus, and that CSOs and communities will be key to success. It will be important to place countries at the centre and aim to make things easier for them.
- Board members also indicated that Gavi will need to continue to be aware of the broader global health architecture, and alignment with the SDGs. One Board member also raised questions about Gavi more extensively financing normative functions related to immunisation, which will require a broader discussion.
- Board members also suggested several other areas to consider, such as whether Gavi should understand more deeply human resources (HR) challenges in countries; do more to link up the various RITAGs (Regional Immunization Technical Advisory Groups); further refine what equity means in the different country segments for Gavi 5.0; learn from other organisations regarding grant management; strengthen South-South collaboration; and continue to differentiate between core and expanded partners.
- One Board member suggested that Gavi may need more implementation research (e.g. on gender), and could be more explicit about the role of the Evaluation Advisory Committee in Gavi's consideration of evaluation and research.
- In response to queries from Board members on the role of the Steering Committee for the Funding Policy Review, the Secretariat confirmed that the intention is for the Steering Committee to have more detailed discussions to review the current policies and that key recommendations from the Steering Committee will be brought back to the PPC and the Board for consideration and then for review and approval.

8. Review of the Strategy for Papua New Guinea

- 8.1 Helen Rees, Programme and Policy Committee (PPC) Chair, introduced this item (Doc 08) and provided a brief explanation of the thinking behind the PPC's recommendation on the strategy for Papua New Guinea (PNG).
- 8.2 Pascal Bijleveld, Director, Country Support, gave an overview of the context of the situation in PNG, and Alexa Reynolds, Senior Country Manager, provided a brief summary of the support being proposed for PNG, highlighting the importance of political leadership in the country, the accountability framework which will be put in place and of some significant risks.

Discussion

- Board members confirmed their support for this decision, noting that this has been a good example of a mature Alliance at work, with strong collaboration across partners, early identification of a potential problem, and a clear strategy to address the issues.
- Board members also noted the substantial residual risk in this work given the difficult political, linguistic, geographic, institutional and human capital challenges present in the country.
- Several Board members indicated that the accountability framework will be critical and it was agreed that it will be important to ensure that there is ongoing monitoring to ensure that Gavi remains ahead of any challenges. It was noted that consistent with Gavi's zero tolerance appetite, there is an expectation from some Board members that the Government of Papua New Guinea will fully repay the outstanding balance of misused funds before Gavi moves forward with the country on further programming.
- Board members stressed the importance of the buy-in of the Government of Papua New Guinea.
- Board members also indicated that continued partner collaboration will be a key success factor in this engagement. Gavi will need to further align with other actors, such as the PNG Partnership Fund, World Bank, social mobilisation efforts, local NGOs, and the church groups that are delivering many health services.
- One Board member expressed concern over HR capacity of Ministry of Health staff and that this will be something to work on in collaboration with partners across the health sector.

Decision 14

The Gavi Alliance Board:

- a) **Approved**, as part of a tailored strategy to address the challenges in Papua New Guinea ("PNG") and taking into account the request made by the Government of PNG to the Gavi Alliance Board in November 2018, that PNG be exceptionally granted an

extension of the country's "Accelerated Transition" period (Phase 2) from 2020 to 2025;

- b) **Requested** Alliance partners to engage in PNG's National Health Planning process to assist the Government to develop specific applications for Gavi Health System Strengthening and New Vaccine Support, and identify key national commitments to health system and immunisation strengthening on which Gavi support would be conditional;
- c) **Requested** the Secretariat, in the context of the National Health Planning process and in consultation with the Government and Alliance partners, to develop an accountability framework and to organise annually a review with Alliance partners and the Government to assess progress against that accountability framework.
- d) **Delegated** to the Secretariat the authority to apply policy flexibilities required to respond to the circumstances in PNG during the extended Accelerated Transition period, noting that the indicative cost of this Gavi support to PNG is estimated to be an amount of US\$ 60 million; and
- e) **Requested** the Secretariat to provide annual updates to the PPC and an update to the Board in 2023 on the progress of Gavi's support to PNG.

Michael Kent Ranson (World Bank) recused himself and did not vote on Decision 14 above.

9. Co-financing arrangements for Inactivated Poliovirus Vaccine (IPV) post 2020

- 9.1 Helen Rees, Programme and Policy Committee (PPC) Chair, introduced this item (Doc 09), recalling that the Board has discussed IPV on several occasions, including a decision in November 2018 to support IPV beyond 2020, leaving open the preferred support modality for countries. The PPC had discussed this further at its May 2019 meeting and agreed to recommend to the Board a risk-based cost-sharing approach.
- 9.2 Aurélia Nguyen, Managing Director, Vaccines and Sustainability, provided an overview of the proposed approach, recalling the timeline of Gavi's support of polio vaccines, the principles on IPV engagement, and the contextual factors and financial implications for Gavi during the next strategic period, 2021-2025.

Discussion

- Board members indicated their support for the decision, noting that the recommendation strikes the right balance and provides assurance given that the Board will have an opportunity to review in 2022.
- In a response to a query as to how the \$0.60 per infant recommendation was reached, it was clarified that this corresponds to what countries currently contribute for OPV (oral poliovirus vaccine). It was noted that there will be an opportunity to

consider this further when more information relating to a hexavalent vaccine becomes available.

- The Board member representing the vaccine manufacturers from industrialised countries noted the complexity of developing a hexavalent vaccine and cautioned around price expectations being compared to the combined costs of pentavalent and IPV.
- In light of the upcoming replenishment of the Global Polio Eradication Initiative (GPEI), Board members highlighted the importance of ensuring that messaging related to the resources needed for IPV is aligned between GPEI and Gavi.

Decision 15

The Gavi Alliance Board:

Approved support for inactivated poliovirus vaccine (IPV) based on a risk-based cost sharing approach of IPV between Gavi and countries which takes into account the epidemiologic risks of poliovirus re-emergence and country ability to share the cost of IPV. Under this approach the global withdrawal of bivalent oral poliovirus (bOPV) vaccine is used as a trigger for cost-sharing in order to ensure that existing financing for bOPV is not displaced (assumed to be US\$ 0.60 per infant) from the polio programme. Thus the country financing no longer used for bOPV is used to contribute to the cost of IPV vaccine as follows: *Initial Self-financing countries*: Gavi fully finances IPV doses; *Preparatory transition countries, Accelerated transition countries and Fully Self-Financing countries*: Gavi fully finances IPV until bOPV cessation and at bOPV cessation, country funds US\$ 0.60 per targeted infant with Gavi paying the remainder of IPV costs. This approach will be reviewed by the Board in 2022.

10. Committee Chair and IFFIm Board reports

- 10.1 The Chair introduced this item, underlining the importance of the work of the Committees and appreciation for the service of Board members, Alternate Board members and their Committee Delegates on these Committees.

Programme and Policy Committee

- 10.2 Helen Rees, Programme and Policy Committee (PPC) Chair, delivered the report of the PPC noting that the Committee had met on 8-9 May in Geneva.
- 10.3 She referred to a number of items which had been for information, discussion or guidance and highlighted three recommendations which had been presented to the Board for consideration, relating to the Cold Chain Equipment Optimisation Platform (CCEOP), PNG and IPV.
- 10.4 Referring to earlier discussions during this meeting on HPV, Professor Rees informed the Board that a decision had just been taken in the US to extend HPV vaccines to older women, highlighting that this might further impact what is currently a limited supply of available vaccines for Gavi countries

Discussion

- Board members agreed on the importance of closely monitoring the HPV vaccine supply situation, noting also that it is foreseen that the Strategic Group of Experts (SAGE) on Immunization plans to discuss the possibility of a single dose of the vaccine being sufficient to ensure immunity, or the option of a deferred second dose.
- The Board member representing the CSO constituency underlined the importance of ensuring that vaccine availability for Gavi should not be profit driven, but rather ethically driven to provide for communities with the greatest disease burden. It was suggested that Gavi 5.0 should include accountability frameworks for holding private sector accountable and noted that the framework outlined in the UN high level panel on holding private sector accountable for Women's Children's and Adolescent's health could perhaps be used/adapted for this purpose.
- Representatives from the vaccine manufacturers constituencies proposed to work together to come up with a proposal and revert back to the Board.

Audit and Finance Committee

- 10.5 David Sidwell, Audit and Finance Committee (AFC) Chair, delivered the report of the AFC. He referred to the ongoing work related to the review of the 2018 financial statements, including the audit processes of the new external auditor, Deloitte. He confirmed that the AFC is on track to recommend approval of the 2018 annual financial report to the Board at its meeting in July 2019.
- 10.6 Mr Sidwell noted that the AFC has been diligent in reviewing the financial forecasts for both the remainder of this strategic period and for the next, including the assured resources going into the 2021-2025 period. The AFC will continue to monitor this closely and report back to the Board on any potential adjustments.
- 10.7 He referred to the importance, in particular in the context of the upcoming replenishment, of currency hedging and referenced changes to the current hedging policy which were approved at this meeting on the consent agenda.
- 10.8 Mr Sidwell reported to the Board on the AFC deliberations on IT and the implementation of the SAP system, noting that implementation is on track to roll out the first phase in October.
- 10.9 In relation to grant management, he referred to a number of audit findings which can only be tackled when the necessary steps to automate and streamline the processes are taken. Risk appetite on cyber threats was discussed with management, with a number of milestones planned to be met by this quarter, with others extending into 2020.
- 10.10 In relation to risk management, Mr Sidwell noted impressive progress in a short period of time, with risk mitigation being embedded in both country level and internal processes and appreciated the work being done to further engage partners in this area.

- 10.11 Finally, Mr Sidwell sincerely expressed his thanks to Barry Greene, Managing Director, Finance and Operations, noting that he has served the committee well and ensured a smooth transition with his successor.

Governance Committee

- 10.12 William Roedy, Governance Committee Chair, presented to the Board the routine work conducted by the Committee including Board and Committee nominations, recruitment of Unaffiliated Board members and the monitoring of the Gender Policy for Board and Committee nominations.
- 10.13 He referred to the recent Board Effectiveness Review, the outcomes of which had been considered by the Governance Committee at its meeting immediately prior to this Board meeting, and he referenced the full report which the Board can access on BoardEffect.
- 10.14 Mr Roedy noted that the review had highlighted some of the challenges related to the high turnover on the Board. It was also suggested that if the Board wishes to prioritise strategic discussions, consideration might be given to delegate more authority to the Board Committees. Other issues highlighted related to time management and statement reading at Board meetings and the need for succinct executive summaries in Board papers.
- 10.15 He noted that in the context of discussions around this review, Governance Committee members had discussed the importance of ensuring that the Gavi governance model is fit for purpose for Gavi 5.0 and this is something which will be taken forward by the Committee in the coming months.
- 10.16 Finally, Mr Roedy indicated that the Governance Committee has initiated the processes for the recruitment of a new Board Chair and nomination of the Board Vice Chair.

Investment Committee

- 10.17 Stephen Zinser, Investment Committee Chair, delivered the report of the Investment Committee.
- 10.18 He noted that the market sentiment is moving towards fragile, referencing mounting risks to global growth and highlighting some of the current geopolitical risks He noted that world growth is declining reflecting effects of trade tensions and country-specific factors. However, it was noted that markets are showing differing views, with lower yields indicating slowing economies at the same time as equity markets showing growth. Mr Zinser noted that either way the portfolio has to be prepared for both scenarios.
- 10.19 Mr Zinser outlined fixed income index returns, equity index returns, as well as tactical index returns, and noted the short-term portfolio held US\$ 806 million and the long-term portfolio constitutes US\$ 884 million. He outlined that the portfolio had generated estimated year-to-date investment income of US\$ 63.9 million.

10.20 Mr Zinser presented the key highlights of the first half of 2019 which include income generation, ESG (environmental, social and governance) transition, manager rotation and annual audit, as well as the highlights for the second half of 2019 including liquidity risk, maintaining focus on capital preservation, evaluating climate risk, and managers due diligence.

Discussion

- In response to a question related to climate risk assessment, Mr Zinser clarified that a consultant was engaged to assist with work in this area.
- One Board member asked if the portfolio comprised any gender positive investments. Mr Zinser and the Secretariat noted that this would be looked at but was not an area which is generally a focus of SRI (socially responsible investments).

Evaluation Advisory Committee

10.21 Rob Moodie, Evaluation Advisory Committee (EAC) Chair, delivered the report of the EAC, noting that Committee had been working on revisions to the Gavi Evaluation Policy and to the EAC Terms of Reference, both of which were presented to this Board for approval on the consent agenda.

10.22 He provided key evaluation updates, referring to the evaluation of measles campaigns and their effects on the overall immunisation system, the evaluation of Gavi support to CSOs, the CCEOP evaluation, and the evaluation of the Gavi gender policy. He noted that the EAC had recently discussed the fact that independent evaluation teams are not necessarily best placed to draft recommendations based on their evaluation findings and this is something which will require further discussion going forward.

10.23 Dr Moodie noted that this Board meeting would be his last meeting in his capacity as Chair of the EAC, and shared his reflections and learnings. He noted a major increase in interest in evaluation across Gavi, and recognition of the importance of including evaluation learnings into all aspects of Gavi's work. He further noted that theory of change is becoming a corner stone of the evaluation work and has been embedded into the development of the new strategy. In order to maintain a focus on evaluation, he referred to the importance of ensuring a strong link between the EAC and the PPC going forward.

10.24 In relation to the development of Gavi 5.0, he reported on how the evaluation function was engaged in the design process. He also presented the EAC workplan for 2019-2020.

10.25 Dr Moodie informed the Board about the collaboration with the Global Fund Technical Evaluation Reference Group (TERG), where a joint meeting was held in April 2019, further noting that a process of developing a joint programme of work is underway.

10.26 Finally, he thanked the Board, EAC members and the Secretariat for their work and support during his time as Chair of the Committee, noting that in his view that

Gavi thinks, does and learns in a better way than many other organisations, and he looked forward to seeing this continue going forward.

Discussion

- Dr Moodie responded to a request to reflect on the biggest learnings, noting that it is of utmost importance to look into the value of conducting any evaluation and thinking through the real added value before work is done.
- Board members noted that timelines for evaluations need to be carefully considered, as they are often lengthy exercises. The importance of an efficient feedback loop between the EAC and PPC was highlighted in this context to ensure that the work of the EAC is inputting to PPC recommendations and Board decisions in a timely manner.
- In responding to a query on the monitoring and evaluation vision in relation to Gavi 5.0, Dr Hope Johnson, Director, Monitoring and Evaluation noted that monitoring and evaluation used to be mutually exclusive, but a shift was made to focus evaluation on learning, and trying to find the right time to use these learnings like assessment and accountability, as well as how to better synthesise and use the information available. Strengthening monitoring and making it responsive in the next strategic period is a key priority, and the unit is looking into a more holistic way at monitoring and evaluation activities.
- Board members noted that there is increased engagement between the evaluation teams of the Secretariat and Alliance partners.

IFFIm

- 10.27 Cyrus Ardalan, IFFIm Board Chair, started his presentation by providing an update on IFFIm's financial position which remains strong, highlighting that there is substantial capacity to finance Gavi 4.0 and support Gavi 5.0 and that IFFIm's impact since inception is significant.
- 10.28 Mr Ardalan noted that IFFIm's innovative frontloading mechanism and flexible financing is a catalyst for saving lives. He provided an overview on IFFIm's access to capital markets and noted two significant transactions, namely the use of IFFIm to frontload the Norwegian pledge to CEPI (Coalition for Epidemic Preparedness Innovations) and a private placement with the Islamic Development Bank (ISDB).
- 10.29 Mr Ardalan referred to IFFIm 2019 strategic initiatives at both the operational and financial levels.
- 10.30 In the context of Gavi 5.0 and replenishment, he noted that related discussions prompted reflection on IFFIm in the broader context and beyond. He informed the Board that IFFIm is at a critical juncture, because by end of the 5.0 strategy period the commitments remaining within IFFIm will drop to less than half a billion US\$. The commitments will peak next year and then will drop quickly. In this context, by the middle of the next strategic period, IFFIm will not be in a position to provide any frontloading, with potential negative impact on its ratings.

10.31 In order to retain IFFIm's ability to continue to function, it would be critical to consider what additional resources are required to maintain the mechanism. He referred to efforts being considered to make the current structure more efficient, and to introduce additional flexibilities in receiving pledges. He noted targeting private sector funding which is an important opportunity to pursue.

Discussion

- The Chair underlined that IFFIm is one of the most innovative instruments that is available for Gavi, and invited the Board to reflect on what should be done to enable the continuation of this instrument, noting that either the Board considers IFFIm's mission accomplished, or considers how to maintain the achievements made so far and make them stronger.
- The CEO noted that IFFIm needs to be part of the conversations with donors and partners in the context of replenishment and encouraged the Board to consider the long-term benefits of maintaining IFFIm, such as epidemic response, polio, amongst others.
- Board members echoed the importance of IFFIm and noted that shaping an approach to how to move forward sooner rather than later is critical.
- In response to a query on the ideal arrangement for IFFIm to continue operating in the longer term, Mr Ardalan noted that no substantial work has been done at this point, but in his view the minimum required for IFFIm going forward would be US\$ 1 billion in order to maintain the integrity and sustainability of the mechanism. The maturity structure and the type of countries that will join IFFIm are also important in this regard, noting longer term commitments and stronger ratings would yield a stronger balance sheet and ratings.
- In relation to replenishment, it was noted that new donors may find the IFFIm mechanism somewhat complex. Board members indicated that it would be useful for them to have further information on investment cases and a simplified narrative on how IFFIm worked, and more analysis on relative return on investment historically by the next Board meeting.

11. Report from Audit & Investigations

- 11.1 Simon Lamb, Managing Director, Audit and Investigations (A&I), presented this item (Doc 11). He outlined progress made on developing the audit and investigations function, presented the work done so far taking a multiyear view and the way forward drawing on lessons learned and how to best work across the Alliance.
- 11.2 Mr Lamb noted that the A&I Terms of Reference had been reviewed recently to ensure compliance with best practice and had been approved at this meeting on the consent agenda.

- 11.3 He provided an overview of the country reimbursement schedule including the very high level of reimbursement rates, on A&I activity to end of 2019, on activities related to programme audit remediation and on the strategic alliances which are being built with countries and partners, both within and outside the Alliance.
- 11.4 Mr Lamb informed the Board that the Global Fund Office of the Inspector General (OIG) is undertaking an analysis on the capacities of in-country institutions, and the A&I function intends to build on and draw on their work.

Discussion

- Board members expressed their appreciation of the A&I function which is essential for providing assurance, strongly supporting ongoing improvement initiatives and finding appropriate ways to monitor implementation. In particular collaboration with partners of the Alliance and external parties was highly appreciated.
- David Sidwell, AFC Chair, noted that an external quality assurance of the A&I function will take place at the end of this year, which is required to be undertaken every five years, to ensure that the function remains fit for purpose.
- Board members noted the need to find the right balance between moving forward with Gavi 5.0, responding to management challenges and looking at how in-country audit capacity might be strengthened.
- In response to a number of comments from Board members, Mr. Lamb noted that in-country capacity challenges in different areas, including human resources in particular, is a cross-cutting theme frequently identified in the work of the Programme Audit team.

12. Review of decisions

- 12.1 Philip Armstrong, Director of Governance and Secretary to the Board, reviewed and agreed the decisions with the Board.

13. Closing remarks and review of Board workplan

- 13.1 The Chair expressed her thanks and appreciation to the Board for a productive meeting.
- 13.2 After determining there was no further business, the meeting was brought to a close.

Dr Ngozi Okonjo-Iweala
Chair of the Board

Mr Philip Armstrong
Secretary to the Board

Attachment A

Participants

Board members

- Ngozi Okonjo-Iweala, Chair
- William (Bill) Roedy, Vice Chair
- Omar Abdi
- Mahamet Saleh Aziz
- Kwaku Agyeman-Manu (Alternate)
- Ferozuddin Feroz
- Sarah Goulding
- Daniel Graymore
- Margaret (Peggy) Hamburg
- Orin Levine
- Clarisse Loe Loumou
- Harriet Ludwig
- Francesca Manno
- Marta Nunes
- Sai Prasad
- Michael Kent Ranson (Alternate)
- Helen Rees
- Teresa Ressel
- Peter Salama
- David Sidwell
- Susan Silbermann
- Arsen Torosyan
- Stephen Zinser
- Seth Berkley (non-voting)

Alternates Observing

- Edna Yolani Batres
- Craig Burgess
- Megan Cain
- Ted Chaiban
- Mahima Datla
- Susan Elden
- Asaad Hafeez
- Julie Hamra
- Irene Koek
- Lene Lothe
- Jacqueline Lydia Mikolo
- Violaine Mitchell
- Jan Paehler
- William Schluter
- Princess Nothema (Nono) Simelela

Regrets

- Tim Evans
- Amir Aman Hagos
- Myint Htwe
- Bounkong Syhavong (Alternate)

Additional Attendees

EVALUATION ADVISORY COMMITTEE

Dr Rob Moodie, Professor of Public Health, University of Malawi and Chair, Evaluation Advisory Committee

IFFIm

Mr Cyrus Ardan, Chair, IFFIm Board of Directors
 Ms Doris Herrera-Pol, IFFIm Board Member, Washington D.C.
 Ms Fatimatou Diop, IFFIm Board Member, Dakar
 Mr Helge Weiner-Trapness, IFFIm Board Member, New York
 Mr Marcus Fedder, IFFIm Board Member, Shanghai, China

BILL AND MELINDA GATES FOUNDATION

Dr Julie Bernstein, Deputy Director, Program, Advocacy and Communications
 Ms Magdalena Robert, Senior Program Officer, Program, Advocacy and Communications
 Mr Nima Abbaszadeh, Program Officer, Program, Advocacy and Communications

WORLD BANK

Mr Benjamin Carcani, Finance Officer
 Ms Diane Wu, Finance Officer

WORLD HEALTH ORGANIZATION

Dr Kate O'Brien, Director, Department of Immunization, Vaccines and Biologicals (IVB)
Ms Lidija Kamara, Programme Manager, Department of Immunization, Vaccines and Biologicals (IVB)

UNICEF

Ms Etleva Kadilli, UNICEF Supply Division, Copenhagen
Dr Robin Nandy, Principal Advisor & Chief of Immunizations, New York
Ms Heather Deehan, Chief, Vaccine Centre, Copenhagen
Dr Benjamin Schreiber, Senior Health Specialist, Strategy and Management, New York

DEVELOPING COUNTRY GOVERNMENTS

Cameroon

Mr Emmanuel Maina Djoulde, Director, Cooperation Division, Ministry of Health

Congo

Mr Erick Makele, Adviser to the Minister of Health
Mr Charles Obambo, Director of Protocol, Ministry of Health

Ghana

Ms Linda Nanbigne, Executive Assistant to the Minister of Health

DONOR GOVERNMENTS

Australia

Ms Naomi Dumbrell, Counsellor Health and Environment, Permanent Mission to the UN, Geneva
Ms Sue Graves, Director, Health and Education Funds, DFAT

Canada

Ms Niloofar Zand, Senior Advisor, Health and Nutrition, Global Affairs Canada
Ms Emily Alexander, Senior Development Officer, Global Health & Nutrition, Global Affairs Canada

France

Mr Benjamin Bechaz, Policy Advisor, Ministry of Europe and Foreign Affairs, Paris

Germany

Dr Daniel Kohls, Global Health Policy Advisor, GIZ, Bonn, Germany

Ireland

Ms Emma Warwick, Global Health Advisor, Global Health, HIV & AIDS, Irish Aid, Department of Foreign Affairs and Trade

Italy

Mr Giulio Marini, Councillor, Permanent Mission to the UN, Geneva

Japan

Mr Masashi Nakagome, Minister, Permanent Mission to the UN, Geneva
Dr Naoki Akahane, First Secretary, Permanent Mission to the UN, Geneva
Ms Hana Tomoi, Officer, Ministry of Foreign Affairs

Netherlands

Ms Wieneke Vullings, Head, Health and Aids Unit, Ministry of Foreign Affairs
Ms Hanke Nube, Senior Health Advisor, Ministry of Foreign Affairs

Norway

Mr Andreas Karlberg Pettersen, Adviser, NORAD
Mr Are Berg, Senior Adviser, NORAD
Ms Marit Viktoria Pettersen, Senior Adviser, Ministry of Foreign Affairs

Republic of Korea

Mr Byung-wang Jun, Minister Counsellor (Health), Permanent Mission to the UN, Geneva

Saudi Arabia

Dr Abdullallah Almoalem, Head, Health Department, King Salman Humanitarian Aid and Relief Center
Mr Ibrahim Alsugair, Regional Economic Advisor, The Saudi Fund for Development, Riyadh
Mr Khaled Al Sharif, Project Officer, Saudi Fund for Development

Sweden

Ms Karin Westerberg, Senior Advisor, Ministry of Foreign Affairs

United Kingdom

Mr Richard Clarke, Director-General for Policy, Research and Humanitarian, DfID

Mr Daniel Kibble, Deputy Programme Manager for Gavi, the Vaccine Alliance, Global Funds Department, DfID

Ms Louise Kemp, Deputy Programme Manager for Polio, DfID

Ms Sophie Bracken, Economist, DfID

United States of America

Ms Elizabeth Noonan, Immunization Advisor, USAID

Mr Anthony Mounts, Team Lead, USAID

VACCINE INDUSTRY – INDUSTRIALISED

Dr Joan Benson, Executive Director, Merck

Dr Laetitia Bigger, Director, Vaccines Policy, IFPMA

Ms Ariane McCabe, Director, Global Health and Public Affairs, GSK

Dr Lyn Morgan-Marsden, Head of Global Public Affairs for Endemic Vaccines, Institutions & Associations, Sanofi Pasteur

Ms Tereza Cervinkova, Young Fellow, IFPMA

VACCINE INDUSTRY – DEVELOPING

Dr Akira Homma, Senior Adviser, Bio-Manguinhos/Fiocruz, Rio de Janeiro, Brazil

Dr Youngran Park, Director, EuBiologics Co, Ltd, Seoul, Rep. of Korea

Dr Samir Desai, President, Zydus Cadila, India

Ms Sonia Pagliusi, Executive Secretary, Developing Countries Vaccine Manufacturers Network International, Switzerland

CIVIL SOCIETY ORGANISATIONS

Ms Maty Dia, Partnership Manager, Global Financing Facility Civil Society Hub, PAI, Geneva, Switzerland

Mr Bertrand Kampoer Pfouminzhouer, Board Chair, OAFRESS, Cameroon

Ms Lisa Hilmi, Executive Director, CORE Group, Washington DC

Ms Diane Le Corvec, Communications Focal Point, Geneva, Switzerland

RESEARCH AND TECHNICAL HEALTH INSTITUTES

Ms Shakia Bright, Global Immunization Division, CDC Atlanta

Special Advisers

Ms Nicole Mensa, Special Adviser to Gavi Board Chair

Dr Sara Mohammed Osman Elias, Special Adviser to the EMRO constituency

Dr Rolando Pinel, Special Adviser to the PAHO constituency

Dr Khant Soe, Special Adviser to the SEARO/WPRO constituency

Ms Ruzan Gyurjyan, Special Adviser to the EURO constituency

Mr Bruno Rivalan, Special Adviser to the CSO constituency

Ms Carol Piot, Special Adviser to the IFFIm Board

Other Observers

Dr David Lorenzo, Managing Director, Policy Access and Introduction, PATH, Seattle

Ms Sally Ethelston, Director, Resource Mobilization & Outreach, Malaria Vaccines, PATH USA

Dr Yann Le Tallec, Vaccine Delivery Director, Clinton Health Access Initiative, USA

Ms Lori Sloate, Senior Director, Global Health, UN Foundation

Gavi Alliance Board Meeting

19 July 2019

Teleconference

1. Chair's Report

- 1.1 Finding a quorum of members present, the meeting commenced at 15.00 Geneva time on 19 July 2019. Dr Ngozi Okonjo-Iweala, Board Chair, chaired the meeting.
- 1.2 The Chair highlighted that this teleconference had been convened as an extraordinary meeting of the Board as she felt that the Board, as a whole, should be engaged in the issues that arose with the donor group in recent consultations relating to the investment case for the Gavi 2021-2025 Strategy (Gavi 5.0).
- 1.3 She noted that while the Gavi Statutes and By-laws are silent on the convening of a Board meeting by short notice, meaning that it is held within a period of less than the required 14 days' notice, Article 2.7.4.1 of the By-laws permits that a meeting of this nature can proceed provided there is no objection (protest) raised at the commencement of this meeting. As no objections were expressed by Board, the meeting was duly constituted as a formal meeting of the Board of the Gavi Alliance.
- 1.4 Standing declarations of interest were included with the materials shared with the Board in advance of this meeting.

2. Gavi Strategy 2021-2025 – Investment Case Ask

- 2.1 The Chair recalled that the purpose of this meeting is to have a clear and agreed view of what is to be presented as the investment case ask at the Yokohama Replenishment Launch on 30 August 2019, including an agreed level of strategic investments funding.
- 2.2 She highlighted that this constitutes a high-level projection of the investment need for the next strategic period to deliver on the strategy and that it will require a number of specific budget approvals for the respective programmes over that period. She recalled that an “ask” is a notional fundraising target, and not a budget, and highlighted that the starting point of the replenishment ask is grounded in the projections of Board-approved programmes and expenditures as laid out in the financial forecast for 2021-2025.
- 2.3 Seth Berkley, CEO, presented an overview of the breakdown of the US\$ 8.9 billion for estimated future expenditure highlighting that every component of expenditure

will be subject to Board decision and that the Board has full discretion to adjust all expenditure projections.

- 2.4 The CEO also explained the line which has been included for strategic investments, recalling that the approach is consistent with the Gavi 4.0 replenishment. This funding gives flexibility to the Board to respond to new or unforeseen challenges and opportunities. He noted that three potential scenarios were being presented to the Board for consideration: US\$ 300 million, US\$ 500 million and US\$ 700 million, and that the size of the envelope depended on how ambitious the Board wished to be in pursuing Gavi's equity agenda and how responsive it wishes to be to new and emerging challenges.

Discussion

- Board members confirmed their support for the US\$ 8.9 billion figure for estimated future expenditure derived from existing and new Board approved programmes. A number of Board members expressed that Gavi should go into the replenishment with an ambitious number.
- A number of Board members referenced the fact that while it has often been stated that future replenishment asks should not exceed the Berlin replenishment, it is important to acknowledge that time has moved on. It was agreed that rather than comparing with previous asks, it would be more appropriate to evaluate what is being proposed in the context of the future strategy, recognising that this includes a number of new elements for the Alliance.
- In relation to the line for strategic investments, there was agreement that it is essential that the Alliance has an envelope which enables it to be flexible and responsive and deals with some challenges inherent in the next strategic period. While there were some Board members who indicated support for the US\$ 300 million (lower end) and US\$ 700 million (higher end) scenarios, following discussion the **Board reached consensus and agreed that the US\$ 500 million scenario should be included in the final investment case ask of approximately US\$ 7.4 billion, which would result in an attempt to raise at least US\$ 7.4 billion against an overall budget of US\$ 9.4 billion.**
- It was agreed that it would be important to include stronger language and justification for the strategic investments in the final *Investment Opportunity* document to be presented at the Yokohama Launch.

3. Closing remarks

- 3.1 The Chair expressed her thanks and appreciation to the Board for a productive meeting and thanked in particular those Board members who had showed willingness to compromise and support what is best for the organisation.
- 3.2 She concluded the meeting by recalling that the operationalisation process for Gavi 5.0 will continue as a consultative process through different workstreams involving the Programme and Policy Committee (PPC) and Board and will provide

numerous opportunities to discuss the details, raise comments and opinions, and finalise policies, programmes and budgets as it relates to a number of Gavi's work areas.

- 3.3 She also reminded Board members that they are invited to submit written comments on the *Investment Opportunity* document to the Secretariat by no later than Tuesday 23 July 2019.
- 3.4 After determining there was no further business, the meeting was brought to a close.

Dr Ngozi Okonjo-Iweala
Chair of the Board

Mr Philip Armstrong
Secretary to the Board

Attachment A

Participants

Board members

- Ngozi Okonjo-Iweala, Chair
- William (Bill) Roedy, Vice Chair
- Edna Yolani Batres (Alternate)
- Craig Burgess
- Ted Chaiban (Alternate)
- Daniel Graymore
- Assad Hafeez (Alternate)
- Margaret (Peggy) Hamburg
- Irene Koek
- Orin Levine
- Lene Lothe (Alternate)
- Harriet Ludwig
- Francesca Manno
- Jacqueline Lydia Mikolo (Alternate)
- Marta Nunes
- Sai Prasad
- Michael Kent Ranson (Alternate)
- Helen Rees
- Teresa Ressel
- Peter Salama
- David Sidwell
- Susan Silbermann
- Stephen Zinser
- Seth Berkley (non-voting)

Alternates Observing

- Susan Elden
- Sarah Goulding
- Julie Hamra
- Jan Paehler

Board member -elect

- Afsaneh Beschloss

Regrets

- Omar Abdi
- Kwaku Agyeman-Manu (Alternate)
- Mahamet Saleh Aziz
- Megan Cain (Alternate)
- Mahima Datla (Alternate)
- Maty Dia (Alternate)
- Ferozuddin Feroz
- Amir Aman Hagos
- Myint Htwe
- Violaine Mitchell (Alternate)
- Muhammad Pate
- Harriet Pedersen
- William Schluter (Alternate)
- Princess Nothema (Nono) Simelela (Alternate)
- Bounkong Syhavong (Alternate)
- Arsen Torosyan

Gavi Alliance Board Decision

12 August 2019

1. 2018 Annual Financial Report

In accordance with article 2.7.3 of the By-Laws, on a no-objection basis the Gavi Alliance Board:

- **Approved** the Gavi Alliance 2018 Annual Financial Report.

Dr Ngozi Okonjo-Iweala
Chair of the Board

Mr Philip Armstrong
Secretary to the Board

Gavi Alliance Board

11 October 2019

1. Appointment of Members to Board and Board Committees

In accordance with article 2.7.3.4 of the By-Laws, on a no-objection basis the Gavi Alliance Board:

- a) **Appointed** the following Board Members:
 - **Yibing Wu** as an Unaffiliated Board Member in the seat formerly held by Richard Sezibera, effective 1 November 2019 and until 31 October 2022.
 - **Mahamoud Youssouf Khayal** of Chad as Board member representing the developing country constituency in the seat currently held by Mahamat Saleh Aziz of Chad, effective immediately and until 31 December 2021.
- b) **Appointed** the following to the Market-Sensitive Decisions Committee effective immediately:
 - **Muhammad Pate** (Board Member) until 31 December 2019.
- c) **Appointed** the following to the Governance Committee effective immediately:
 - **Omar Abdi** (Board Member) until 31 December 2019.
- d) **Appointed** the following to the Audit and Finance Committee effective immediately:
 - **Etlewa Kadilli** (Alternate Board Member) until 31 December 2019.
- e) **Appointed** the following to the Programme and Policy Committee effective immediately:
 - **Naomi Dumbrell** (Committee Delegate) until 31 December 2019.
 - **Joan Valadou** (Committee Delegate) until 31 December 2019.

Dr Ngozi Okonjo-Iweala
Chair of the Board

Mr Philip Armstrong
Secretary to the Board

Gavi Alliance Audit and Finance Committee Meeting

25 July 2019

Teleconference

1. Executive session with the independent auditor

- 1.1 Finding a quorum of Audit and Finance Committee (AFC) members present, the meeting commenced at 16.00 Geneva time on 25 July 2019. David Sidwell, AFC Chair, chaired the meeting.
- 1.2 The Committee held an executive session with Fabien Bryois and Lisa Watson from Deloitte, Gavi's independent auditor, to discuss conduct of the 2018 audit. The AFC Chair noted that the auditors had reported their satisfaction with audit transition, process and reported that there were no significant adjustments or topics to discuss beyond those that were covered at the previous session with the auditors in June.
- 1.3 The auditors had further appreciated that the finance team had been thorough in their research on the new accounting standards and had demonstrated ownership of their judgements and the papers and preparation for the audit was of a high quality and well prepared.
- 1.4 The Committee convened in open session at 16.15.

2. Chair's report

- 2.1 Standing declarations of interest were tabled to the Committee (Doc 02a in the Committee pack).
- 2.2 The Committee approved the minutes of its meeting on 24 June 2019 (Doc 02 b) and noted its action sheet (Doc 02c).

Decision One

The Gavi Alliance Audit and Finance Committee:

Approved the minutes of its meeting on 24 June 2019.

3. Financial management and corporate reporting

3a Deloitte Audit Presentation

- 3a.1 Fabien Bryois, Partner, Deloitte and Lisa Watson, Director, Deloitte, presented this item to the Committee (Doc 03a) reporting that the finalisation of the audit work since the last update to the AFC in June 2019 had focused on compliance with US GAAP (Generally Accepted Accounting Principles), review of the annual financial statements and consolidation process. Mr Bryois confirmed that the audit work was complete and that it is anticipated that Deloitte will be in a position to issue an unqualified audit opinion, which will include an Other Matter paragraph drawing attention to the prior year adjustments resulting from the changing of accounting policy on adoption of ASU 2016-14, as well as the fact that the prior year consolidated financial statements were audited by other auditors.
- 3a.2 Mr Bryois highlighted that during their audit they also followed up on the Kroll report issued 22 November 2018 and performed further follow-up on the few remaining items they highlighted as not yet in place during their report to the AFC in June 2019. While Deloitte work did not reveal any significant unaddressed areas, Deloitte were not engaged to specifically report on follow up to the Kroll report.
- 3a.3 He confirmed that based on their review of Gavi's consolidated financial statements to date and comments thereon, the accounting policies applied and the presentation and disclosure in the draft consolidated financial statements are materially in compliance with US GAAP. He also noted that there would be an amendment to the responsibility statement regarding the preparation of the financial statements appearing in the AFR, which will highlight that there is a joint responsibility between the Secretariat and the Board.
- 3a.4 Ms Watson referred to the preliminary review of accounting standards update (ASU) No. 2018-08 which will be effective from 1 January 2019, noting that based on Gavi's proposed new approach to record contributions with donor-imposed conditions upon substantial fulfilment of the conditions, the timing of Gavi's expense and income recognition policies will be significantly impacted from FY 2019 and for future years.
- 3a.5 Deloitte recommended that Gavi look closely at barriers and conditions in contracts and documents its position in relation to these in advance of next year's audit, recognising that this is an area of significant management judgement.
- 3a.6 Ms Watson presented Deloitte's management letter comments, highlighting a recommendation relating to additional reporting related to the treasury management, risk management and accounting services provided by the World Bank for IFFIm (International Finance Facility for Immunisation).
- 3a.7 She also commented on observations related to the reporting package from the World Bank, to the highly manual reconciliation processes (which are likely to reduce through the implementation of SAP), as well as to recommendations related to the internal control observations resulting from their IT audit procedures.

Discussion

- The Secretariat noted that it is planned that the audit observation relating to ASU 2018-08 are addressed by end October 2019, and that the finance team is already working closely with the resource mobilisation team to ensure that any new donor agreements established in the context of the upcoming replenishment are mindful of the implications on accounting policies.
- AFC members noted that the Secretariat through IFFIm has already engaged with the World Bank to discuss an enhanced reporting framework within the structure of the existing Treasury Management Agreement for IFFIm, and that the Secretariat would raise this for further consideration with the IFFIm Board and its Audit Committee.
- AFC members also noted that following discussion with Deloitte, and review by Gavi's legal team, the management representation letter would be signed by representatives of both the Board and the Secretariat.
- In response to a question from an AFC member, Deloitte confirmed that all key risks had been highlighted in their report.
- Finally, AFC members noted in relation to the IT audit issues highlighted, that Deloitte is comfortable with the management response to date.

3b 2018 Annual Financial Report

- 3b.1 Assietou Diouf, Managing Director, Finance and Operations, presented this item (Doc 03b) noting that some of the key events in 2018 had included the move of the Secretariat to the Global Health Campus in Geneva and kickoff of the SAP project.
- 3b.2 She highlighted that during 2018 financial activity had remained quite stable as compared to 2017 and that the indicators for overhead expenses and operational expenses remain strong.
- 3b.3 She recalled, as had been highlighted at the AFC meeting in June 2019, that a provision of US\$ 6 million has been taken against the Qatar pledge.
- 3b.4 Finally, she referred to a number of changes that had taken place within the Finance and Operations team within the Secretariat, as well to the change in independent auditor noting that positive impacts of these changes have been observed so far.

Discussion

- In response to a question from the AFC Chair, the Secretariat confirmed that all comments received on the draft AFR had been addressed and explanations have

been provided to those raising comments to clarify how their comments have been addressed.

- In response to a question from an AFC member, it was agreed that it would be useful for the AFC to receive, at the appropriate time, a summary of the conditions included in donor agreements so as to enable the AFC to better understand how the conditions might impact Gavi's financial reporting.
- In response to a question from another AFC member, the Secretariat noted that there had been no significant events relating to the AFR since the AFC meeting in June 2019. The AFC noted that should anything of significance arise between this meeting and approval of the AFR by the Board, it would be brought to the attention of the AFC Chair in the first instance, who would determine next steps as appropriate.

Decision Two

The Gavi Alliance Audit and Finance Committee recommended to the Gavi Alliance Board that it:

Approve the 2018 Gavi Alliance Annual Financial Report (AFR), contingent upon the inclusion of any amendments presented to and agreed to during this meeting.

3c Abridged historical Financial Statements: Q1 2019

- 3c.1 Tony Dutson, Senior Director, Finance and Chief Accounting Officer, presented this item (Doc 03c) on Gavi's abridged standalone and consolidated financial statements for Q1 2019, noting that the impact of ASU 2018-08 can be seen for the first time in relation to reporting on programme expense.
- 3c.2 He noted that at the October 2019 AFC meeting, the Secretariat will present the abridged financial statements to end Q2 2019.

3d SAP implementation update

- 3d.1 Assietou Diouf, Managing Director, Finance and Operations, presented this item (Doc 03d) noting that phase one of the project is on track to go live on 1 October 2019. She noted that phase two of the project which will deploy budgeting and forecasting tools is to be implemented between October and December 2019.

Discussion

- In response to questions and comments from AFC members, the Secretariat noted that the SAP platform which is being rolled out is standard, with very few Gavi-specific modifications. This, therefore, facilitates the development of standard

operating procedures with the embedded controls that would be expected of an ERP. Staff will be trained on all of the processes in order to have a full view and understanding of the architecture of the system.

- The Secretariat clarified that at this stage it is expected that the total cost of implementing the system will remain within the current estimate.
- AFC members noted that in the unlikely event that full transition to SAP is not possible on 1 October 2019 as planned, the Secretariat will be able to revert back to its current systems.
- In response to a query from an AFC member on the risk factors which might lead to a delay in going live on 1 October 2019, the Secretariat noted that these could relate to: (i) platform-related issues; (ii) user testing acceptance; and (iii) integration of IT architecture with other Gavi systems. At this time, however, it is not considered that any of these three are high risk factors which are likely to delay roll out of the system.
- AFC members noted that for their audit of the 2019 accounts, Deloitte will be working with both the current and future systems and they confirmed in relation to SAP that they would be looking at system controls as part of their audit.

4. Audit and Investigations Report

- 4.1 Simon Lamb, Managing Director, Audit and Investigations (A&I), introduced this item noting he had provided comprehensive reports to the AFC at its April and June 2019 meetings. He, therefore, limited his report to a brief update on the Lao PDR programme audit, noting that it had been possible to validate the procurement of vehicles for a total value of almost US\$ 1 million and that while this did not change the overall opinion relating to the substantial lack of books and records in general, it does allow the final determining of the total misuse to be reduced fairly substantially.
- 4.2 Mr Lamb outlined the process going forward which will include further reports to the AFC and likely a report to the Board members as they had been briefed on the matter in closed session at their June 2019 meeting.

Discussion

- AFC members noted that this particular audit, which had looked at the January 2014 to December 2017 period, had demonstrated a number of gaps. There would normally be regular annual government audits in countries but these had not been taking place in Lao PDR. Over the last two years an internal audit has taken place in the Ministry and while it has not yet concluded, preliminary findings which have been shared with the Gavi audit team strongly validate the Gavi's team's own findings.

- It was noted that the expectations of Gavi Senior Country Managers (SCMs) has changed with the advent of the three lines of defence model being put in place, and SCMs are now much better equipped to identify and flag potential areas of concern in relation to financial management of Gavi programmes.

5. Review of decisions and any other business

- 5.1 Philip Armstrong, Director, Governance and Secretary to the Board, reviewed and agreed the language of the decisions with the Committee.
- 5.2 After determining there was no further business, the meeting convened in close session.

6. Closed session for members only – AFC Performance Review

- 6.1 Philip Armstrong, Director, Governance and Secretary to the Board, presented this item, recalling that at the request of the Governance Committee, a light touch Board Effectiveness Review had been commissioned. This exercise had focussed on Board and Board Committee processes so that it covered the requirements of the Committee Charters requiring regular evaluations of Board Committees (in addition to the Board).
- 6.2 Mr Armstrong noted that the exercise had been managed by an independent consultant and that the AFC had the highest response rate to the survey.
- 6.3 He referred to some of the general recommendations in relation to Board Committee Structure and Membership, which did not appear to be aimed at the AFC.
- 6.3 Mr Armstrong then highlighted comments from the AFC survey in particular relating to: (i) high praise for the AFC Chair; (ii) overall satisfaction with the materials provided for AFC meetings; (iii) a comment that there is a need for continued vigilance to ensure that topics that need a “deep dive” are given the necessary time; (iv) a comment that it would be useful to periodically remind AFC members of Gavi’s financial rules and procedures so that comments at meetings can remain on point; and (v) comments suggesting a need for more effective collaboration with the Programme and Policy Committee (PPC).

Discussion

- The Chair noted that the Committee has over the past year included a number of “deep dives” on its meeting agenda and encouraged AFC members to suggest any further areas where it might be useful for the AFC to have such sessions going forward but it was agreed that this need not be introduced as a matter of routine.

- In relation to more effective collaboration with the PPC, it was noted that it is difficult to have effective joint meetings given past experiences and given the logistics associated with the size of the PPC. It was suggested that the PPC Chair could be invited to attend the April and October AFC meetings, at which the AFC normally considers the budgetary implications of recommendations being considered by subsequent PPC meetings. AFC members were also invited to reflect on other potential ways of creating more effective collaboration.
- The Secretariat noted that it is the mandate of the All Chairs Group (ACG) to ensure collaboration between the different Board Committees and it was suggested that this particular issue could be raised at its next meeting.
- In relation to the comments around AFC members knowledge of Gavi's financial rules and procedures, the Chair suggested that it is acceptable, also considering turnover within the Committee, to sometimes take a little more time on the more complicated subjects to ensure that everyone has the same level of information and knowledge.
- After determining there was no further business, the meeting was brought to a close.

Philip Armstrong
Secretary

Attachment A

Participants

Committee Members

- David Sidwell, Chair
- Gisella Berardi
- Benjamin Carcani (items 1-3)
- Emmanuel Maina Djoulde
- Tom Morrow
- Andreas Karlberg Pettersen
- Teresa Ressel

Regrets

- Kwaku Agyeman Manu
- Ted Chaiban
- Maty Dia
- Irene Koek

Observers

- Jane Stewart, WHO
- Kelly Jarrett, Bill & Melinda Gates Foundation

Secretariat

- Anuradha Gupta (items 1-5)
- Philip Armstrong
- Pauline Caywood (items 1-5)
- Assietou Sylla Diouf (items 1-5)
- Tony Dutson (items 1-5)
- Joanne Goetz (items 1-5)
- Simon Lamb (items 1-5)
- Wendy Tagama (items 1-5)
- Jeanne Shen (items 1-5)
- Jacob van der Blij (items 1-5)

Guests

- Fabien Bryois, Deloitte (items 1-5)
- Lisa Watson, Deloitte (items 1-5)

REVIEW OF DECISIONS

AUDIT AND FINANCE COMMITTEE
10 October 2019, Washington DC

Decision 1: Financial Update (incl. financial forecast) (1/2)

The Gavi Alliance Audit and Finance Committee **reviewed** the financial forecast and **recommended** to the Gavi Alliance Board that it:

- a) **Note** that the Audit and Finance Committee has reviewed the financial implications of the recommendations to be made to the Programme and Policy Committee as set out in Figures 1 to 5 of Doc 02a (Financial Update) and concluded that these recommendations could be approved by the Board in accordance with the Programme Funding Policy.
- b) **Approve** the Financial Forecast for the period 2016-2020 as set out in Section C of Doc 02a.
- c) **Approve** the Financial Forecast for Gavi's next replenishment period, 2021- 2025, as set out in Section D of Doc 02a, which is dependent on resources becoming available for that period.

Decision 1: Financial Update (incl. financial forecast) (2/2)

- d) **Authorise** the Gavi Secretariat to allot funding in 2020 for new programmes and for the continuation and adjustment of funding to existing programmes, in accordance with the Programme Funding Policy. In making such allotment decisions, the Secretariat will take into consideration the outcome of Gavi's replenishment in June 2020.

Decision 2: Secretariat and PEF budget (2020)

(1/2)

Taking note that the budget for Vaccine and CCEOP Procurement fees and the envelope for Post-Transition Support for 2018-2022 have already been approved by the Board (US\$ 23.3 million and US\$ 21.8 million respectively for 2020), the Gavi Alliance Audit and Finance Committee **recommended** to the Gavi Alliance Board that it:

- a) **Approve** within the overall amount of US\$ 253.4 million for 2020 for the Partners' Engagement Framework, the following allocations:
- i. US\$ 165.4 million for PEF Partners to support Targeted Country Assistance, Special Investments in Strategic Focus Areas and Foundational Support;
 - ii. US\$ 0.4 million in fees for UNICEF Supply Division to procure yellow fever diagnostic surveillance equipment;

Decision 2: Secretariat and PEF budget (2020) (2/2)

- iii. US\$ 24.0 million for investing in Partnerships in Innovation to be administered by the Secretariat;
 - iv. US\$ 18.5 million for Impact Assessments and Evaluations to be administered by the Secretariat.
- b) **Approve** US\$ 110.3 million for Secretariat Engagement.
- c) **Approve** US\$ 0.5 million for capital expenditure budgets to implement the Secretariat's part of the Gavi Engagement Framework.

Decision 3: Risk Management update (incl. Risk and Assurance report)

The Gavi Alliance Audit and Finance Committee **recommended** to the Gavi Alliance Board that it:

- **Approve** the Draft Risk & Assurance Report 2019 set out as Annex A to Doc 03.

Thank you



Gavi Alliance Audit and Finance Committee

26 November 2019

Teleconference

14.00-17.25 Geneva time

Quorum: 6

Agenda

Item	Subject	Action	Schedule
1	Chair's report <ul style="list-style-type: none"> Declarations of interest Minutes from 10 October 2019 Action sheet Workplan 2019-2020 David Sidwell, Chair	DECISION	14.00-14.05
2	Finance update		
2a	Gavi abridged interim financial statements (Q3 2019) Assietou Diouf, Managing Director, Finance and Operations	INFORMATION	14.05-14.20
2b	Currency hedging update Assietou Diouf, Managing Director, Finance and Operations	GUIDANCE	14.20-14.50
2c	Standalone Swiss audit and internal control requirements Pauline Caywood, Head, Financial Accounting & Reporting	INFORMATION	14.50-15.05
2d	European Commission Request for Audit Tony Dutson, Senior Director, Finance & Chief Accounting Officer	DECISION	15.05-15.15
3	Audit and Investigations		
3a	2020 Audit plan Simon Lamb, Managing Director, Audit & Investigations	DECISION	15.15-15.55
3b	Counter-Fraud Strategy Paul Catchick, Head, Investigations/Counter-Fraud	GUIDANCE	15.55-16.20
4	Any other business		16.20-16.25

Closed Session

Item	Subject	Schedule
	Closed session for members-only	16.25-17.25
	- Finance function review and evaluation	
	- A&I function evaluation and MD performance	

Please note that the meeting will be recorded. This recording will be used as an aid to minute the meeting. A transcription of the full proceedings will not normally be made. Should a transcription be made it will be used only as an aid to minute the meeting.

Next Audit and Finance Committee Meeting: 13 February 2020, Teleconference

Philip Armstrong, Director of Governance and Secretary to the Board, +41 22 909 6504, parmstrong@gavi.org

Joanne Goetz, Head, Governance, +41 22 909 6544, jgoetz@gavi.org

REVIEW OF DECISIONS

PROGRAMME AND POLICY COMMITTEE
23-24 October 2019, Geneva

Decision 1: Sudan's Eligibility for Gavi support in 2020

The Gavi Alliance Programme and Policy Committee **recommended** to the Gavi Alliance Board that it:

Approve, exceptionally, that the determination of Sudan's eligibility for 2020 will be based on the latest GNI data point instead of the average GNI per capita over the past three years.

Decision 2: Gavi 5.0: Funding Policy Review – Eligibility and Transition Policy

The Gavi Alliance Programme and Policy Committee **recommended** to the Gavi Alliance Board that it:

- a) **Approve** the following, which will be incorporated into Gavi's policies in June 2020:
- i. using the latest point estimate of GNI per capita alongside the average GNI per capita over the past three years to determine countries' eligibility for support; and for countries (re)gaining eligibility, adoption of a tailored approach based on the country context;
 - ii. adoption of an approach to tailor the accelerated transition phase as described in Annex B to Doc 04 as amended by discussions at the PPC;
 - iii. removing the programme filter requiring 70% or higher coverage of the 3rd dose of DTP-containing vaccine for a country to access new support for select vaccines (as set out in the Eligibility & Transition Policy).

Decision 3: Gavi 5.0: Funding Policy Review – Co-financing Policy

The Gavi Alliance Programme and Policy Committee **recommended** to the Gavi Alliance Board that it **approve** the following, which will be incorporated into Gavi's policies in June 2020:

- a) calculating **vaccine co-financing** for all countries based on the share of doses needed by a country; and
- b) adopting an approach to apply co-financing flexibilities as described in Annex B to Doc 04 as amended by discussions at the PPC, in countries facing **severe fiscal distress** and countries facing a **humanitarian crisis**.

Decision 4: Gavi 5.0: Funding Policy Review – HSIS Support Framework

The Gavi Alliance Programme and Policy Committee **recommended** to the Gavi Alliance Board that it **approve** the following, which will be incorporated into Gavi's policies in June 2020:

- a) allocating HSS resources according to four criteria: **equity** (number of zero-dose children), **coverage** (number of underimmunised children), **ability to pay** (GNI pc), and **population in need** (birth cohort), with all four criteria equally weighted;
- b) removing the cap of US\$ 100 million over five years currently applied to total country HSS ceilings, but retaining the floor of US\$ 3 million;
- c) integrating support for CCEOP into HSS support; and
- d) discontinuing the mechanism of awarding Performance Payments (as set out in the HSIS Support Framework).

Decision 5: Malaria Vaccine Pilots and Long-term Supply (1/3)

The Gavi Alliance Programme and Policy Committee **recommended** to the Gavi Alliance Board that it:

Malaria Vaccine Implementation Programme

- a) **Approve** an amount up to US\$ 11.6 million to continue the malaria vaccine implementation programme from 2021-2023;

Decision 5: Malaria Vaccine Pilots and Long-term Supply (2/3)

Long-term Malaria Vaccine Supply

EITHER:

Option 1

- b) **Defer** providing an investment for continued production of RTS,S bulk antigen pending a WHO policy decision and Gavi investment case for broader roll-out;

OR:

Option 2

- c) **Approve** providing an investment for continued production of RTS,S bulk antigen pending a WHO policy decision and Gavi investment case for broader roll-out; and
- d) **Note** that the Market Sensitive Decisions Committee will make a final determination of the structure of the investment.

Decision 5: Malaria Vaccine Pilots and Long-term Supply (3/3)

OR:

Option 3

- e) **Request** the Secretariat to work with stakeholders to identify third-parties to cost share whereby Gavi's financial risk should be minimised or reduced to zero to provide for an investment for continued production of RTS,S bulk antigen pending a WHO policy decision and Gavi investment case for broader roll-out; and
- f) **Approve** an investment for continued production of RTS,S bulk antigen between Gavi and third-parties whereby Gavi's financial risk exposure should be minimised as much as possible, with reassessment of support on an annual basis, subject to the final terms being reviewed and endorsed by the Market Sensitive Decisions Committee.

Decision 6: Gavi's engagement in Ebola vaccine (1/3)

The Gavi Alliance Programme and Policy Committee **recommended** to the Gavi Alliance Board that it:

- a) **Approve** the opening of a funding window for the establishment of an Ebola programme for licensed vaccines used for i) reactive and preventive vaccination in an outbreak setting through an emergency stockpile and ii) preventive vaccination in a non-outbreak setting, both contingent on WHO prequalification of vaccine and SAGE recommendation, in line with Board-approved policies and decisions with adjustments laid out under b), c) and d);
- b) **Approve** Gavi support for vaccines for preventive use without a co-financing obligation for Gavi eligible countries with the co-financing policy for Ebola vaccine subject to review after two years from start of programme;

Decision 6: Gavi's engagement in Ebola vaccine (2/3)

- c) **Approve** Gavi operational cost support for both reactive and preventive vaccination that is tailored to each country based on context;
- d) **Approve** the principle of providing non-Gavi eligible countries access to vaccines for preventive vaccination, where possible. These countries would bear the cost of the vaccine;
- e) **Note** the financial implications associated with the above approvals for vaccine procurement, operational cost support and Secretariat and partner resources for 2020 is expected to be approximately US\$ 9 million and for 2021-2025 is expected to be approximately US\$ 169 million. Gavi will seek to absorb the Secretariat and PEF-related components in the 2020 estimated costs within the 2020 budget submission;

Decision 6: Gavi's engagement in Ebola vaccine (3/3)

- f) **Note** that the Secretariat will work with partners to further develop processes to enable allocation of vaccines and operational cost support for both reactive and preventive use;
- g) **Approve** retaining the operational cost and health system support component of the 2014 Ebola envelope for the interim period before a licensed vaccine is available in order to provide operational support for use of investigational vaccines and closing the remainder of the 2014 Ebola envelope; and
- h) **Note** the remaining balance of the operational cost and health systems support component of the 2014 Ebola envelope of US\$ 52.4 million.



Gavi Alliance Governance Committee Meeting

1 October 2019

Teleconference

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 16.06 Geneva time on 1 October 2019. Mr Bill Roedy, Board Vice Chair and Governance Committee Chair, chaired the meeting except for Agenda Item 2a where he was recused.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc 01a in the Committee pack).
- 1.3 The Committee noted the minutes of its meeting on 24 June 2019 (Doc 01b) which had been approved by no-objection on 7 August 2019.
- 1.4 The Committee noted its action sheet (Doc 01c) and forward workplan (Doc 01d).

2. Board and Committee Leadership

2a. Board Vice Chair Recruitment

- 2a.1 Mr Bill Roedy, Board Vice Chair and Governance Committee Chair, did not attend the meeting for this session.
- 2a.2 Dr Ngozi Okonjo-Iweala, Board Chair and Chair of the Board Vice Chair Nominations Subcommittee, outlined the process for the recruitment of the Board Vice Chair. She informed Committee members that two candidates remained interested in the position following the withdrawal of a third candidate who had indicated that based on his official responsibilities did not feel that he would be able to commit the time required to fulfil the role of Vice Chair especially in the upcoming period and given developments at the prior week's meeting of the UN General Assembly.

Discussion

- One Governance Committee member asked if any consideration had been given to exploring with the third candidate the possibility of him reconsidering his withdrawal from the process. The Board Chair indicated that she did not feel that this would be appropriate, in particular considering the reasons given for his withdrawal.

- Another Committee member indicated that the fact that the candidate had withdrawn due to the time commitment required for the role of Vice Chair is an important consideration for the Subcommittee and Governance Committee going forward.
- In response to a query from a Governance Committee member, the Secretariat informed members that the Vice Chair position had been filled as follows since 2009: Jaime Sepulveda (Bill & Melinda Gates Foundation), Geeta Rao Gupta (UNICEF), Flavia Bustreo (WHO), Gunilla Carlsson (Unaffiliated) and Bill Roedy (Unaffiliated).
- In response to a query from another Committee member, the Secretariat recalled the responsibilities of the Vice Chair, as outlined in the Terms of Reference, namely: support to the Board Chair including stepping in for her in her absence; Chair of the Governance Committee, including contributing to onboarding of new Board Committee Chairs; and Chair of the Board Chair Recruitment Search Committee among a number of other responsibilities associated with leading the various projects initiated by the Governance Committee from time to time.
- It was suggested that it could be useful to think about how the Vice Chair can be deployed and used for advocacy on behalf of the Alliance. The Board Chair noted that while this merits further reflection, this is a role which is played primarily by herself and the CEO.

2b. Board Chair recruitment

- 2b.1 Philip Armstrong, Director, Governance and Secretary to the Board, presented this item (Doc 02b) recalling the steps taken thus far and outlining the next steps.
- 2b.2 He presented information on the responsibilities of the Board Chair Recruitment Search Committee and presented information in relation to the proposed composition of the Search Committee.

Discussion

- In response to a question from a Committee member, the Secretariat noted that with the high level of turnover on the Board there are very few Board members from the period when the current Board Chair was recruited who are still on the Board and therefore accessible to serve on the Search Committee.
- Responding to questions in relation to the considerations that will be given to potentially introducing remuneration for the Board Chair, the Secretariat noted that this will need to be done in consultation with, and with the approval of, the Swiss Supervisory Authority for Foundations and subsequently the Gavi Board.
- Governance Committee members noted that it will be important for the Chair of the Search Committee to reach out early to Board members to understand the profile and characteristics that they would be envisaging for the Board Chair for

the next period. It was noted in this context that there will be a number of touch points not only with the Governance Committee but also with the Board throughout the process.

- The Secretariat agreed to share with the Governance Committee the presentation which will be prepared for the first meeting of the Search Committee and which will contain a detailed timeline for the process, noting that the detailed and precise timing of key milestones has to be negotiated with the selected executive search firm as this is a delicate and potentially complex process given the confidentiality associated with it.
- In relation to the profile of candidates, the Board Chair highlighted the importance of ensuring that considerations are given to what needs to be delivered for Gavi 5.0, as well as ensuring that candidates have a strong knowledge and empathy for the beneficiaries in the developing countries as well as potentially someone interested in technology.
- Governance Committee members commented on the role of the CEO in the process and it was clarified that he will not be a member of the Search Committee and might be asked to join meetings of the Search Committee as and when appropriate. This is entirely consistent with best practice and the Board Chair highlighted that the working relationship between the Board Chair and the CEO is important and it is, therefore, essential that the CEO be consulted from time to time.
- In relation to the composition of the Search Committee it was noted that the proposal is to keep it small, also with the aim of developing a high level of trust between Committee members and thus managing confidentiality around high profile names likely to be under consideration for the Board Chair role. When Search Committee members are consulting with Board constituencies it would generally be in relation to the profile for the role and attributes of candidates, without sharing names.
- Governance Committee members noted that this process will require intense engagement of the members of the Search Committee.
- It was proposed that civil society and communities should be represented on the Search Committee.
- In response to a question from Governance Committee members in relation to the composition of the Search Committee and whether or not Board members are being appointed in their personal capacity, the Secretariat clarified that is preferable. While names proposed for the Search Committee were based, very broadly, on their affiliations it was anticipated that they should be sitting on the Search Committee in their personal capacity representing the associated interests of the Board as a whole. Obviously, this might inevitably call for some flexibility but as far as possible the nominated individuals should be available to serve on the Search Committee for the full duration of its assignment envisaged to concluded in October 2020.

Decision One

The Gavi Alliance Governance Committee:

- a) **Approved** the establishment of the Board Chair Recruitment Search Committee; and
- b) **Confirmed** that the composition of the Search Committee be constituted as follows:

Bill Roedy, Board Vice Chair
Omar Abdi
Sarah Goulding
Minister Amir Aman Hagos
David Sidwell
Craig Burgess [TBD]

2c. Committee Chair nominations

- 2c.1 Philip Armstrong, Director, Governance and Secretary to the Board, presented this item (Doc 02c) recalling that the appointment of Board Committee Chairs is concomitant with the biennial Board Committee refresh cycle.
- 2c.2 He requested guidance from the Governance Committee on the process for the appointment or reappointment of the Chairs of the Audit and Finance Committee (AFC), Investment Committee (IC) and Programme and Policy Committee (PPC).

Discussion

- In response to a question from a Governance Committee member, the Secretariat confirmed that thus far candidates for Board Committee Chair roles had come from within existing Committee membership and had for the most part already served on the Board for some time.
- Governance Committee members did not express any objections to considering the reappointment of the incumbent chairs of the AFC, IC and PPC.

3. Board and Committee Nominations

3a. Update on Unaffiliated Board Member Recruitment

- 3a.1 The Chair provided an update on the recruitment to fill the final vacant seat for an Unaffiliated Board Member. Two Chinese candidates had been shortlisted and interviewed by the Subcommittee, as well as by the Board Chair and the CEO.
- 3a.2 The recommendation of the majority of Subcommittee members is to appoint Yibung Wu to the Board.

Discussion

- Governance Committee members noted that the two candidates have quite different profiles and that both would have been a good fit for the Board.
- The second candidate had, in particular, expressed some concerns about the time commitment required for the role. It was noted that considerations will be given as to how this candidate might potentially be engaged in Gavi through other activities.

Decision Two

The Gavi Alliance Governance Committee **recommended** to the Gavi Alliance Board that it **appoint** the following Board member:

Yibing Wu as an Unaffiliated Board Member in the seat formerly held by Richard Sezibera, effective 1 November 2019 and until 31 October 2022.

3b. Board/Committee member nominations

- 3b.1 Philip Armstrong, Director, Governance and Secretary to the Board, presented this item (Doc 03b), noting that most of the nominations being presented to this meeting were for consideration and discussion with final lists to be considered at the November Governance Committee meeting for recommendation to the Board.
- 3b.2 A limited number were being presented to this meeting for recommendation to the Board with immediate effect, and would be circulated to the Board electronically for no-objection approval.
- 3b.3 Mr Armstrong highlighted two cases where the nominations from the Developing Country constituency exceed the number of seats allocated to the constituency, as well as a nomination received for a Committee Delegate to the Governance Committee.

Discussion

- In relation to the Developing Country constituency nominations for the Market-Sensitive Decisions Committee (three nominations for two seats), it was agreed that the consistency should be invited to consult and agree on two names to be put forward to the Governance Committee for consideration at its November meeting.
- Governance Committee members noted the provision in the Governance Committee Charter whereby the Developing Country constituency may nominate Committee Delegates as opposed to a Board member or Alternate Board member. This is however contingent on the nominee having the appropriate skills and competencies as outlined in the Committee Charter.

- While acknowledging the high profile of the nominated candidate, and appreciating the willingness of the constituency to identify nominees for the Committee, it was felt that the nominated candidate did not present the skills and competencies required to qualify for the dispensation set out in the Charter. It was, therefore, agreed that the constituency be invited to consider nominating a candidate with the required skill set but this nomination would not be declined until such time as the process had been concluded.
- In relation to Developing Country constituency representation on the Programme and Policy Committee (PPC) it was noted that the number of nominations received again exceeds the number of seats allocated (five nominations for four seats). It was also noted that with the nominations received there is potentially an underrepresentation on the PPC from Africa, which comprises a large number of Gavi-eligible countries and will comprise the core of Gavi 5.0.
- Governance Committee members noted that the PPC Chair had been consulted and had herself indicated the importance of ensuring representation from Anglophone Africa on the PPC. It was, therefore, agreed that the Developing Country constituency be asked to consider submitting a nomination from Anglophone Africa, and in particular Nigeria if possible, in the place of the nominations from the EMRO constituency.

Decision Four

The Gavi Alliance Governance Committee **recommended** to the Gavi Alliance Board that it:

a) **Appoint** the following Board Members:

- **Mahamoud Youssouf Khayal** of Chad as Board member representing the developing country constituency in the seat currently held by Mahamat Saleh Aziz of Chad, effective immediately and until 31 December 2021.

b) **Appoint** the following to the Market-Sensitive Decisions Committee effective immediately:

- **Muhammad Pate** (Board Member) until 31 December 2019.

c) **Appoint** the following to the Governance Committee effective immediately:

- **Omar Abdi** (Board Member) until 31 December 2019.

d) **Appoint** the following to the Audit and Finance Committee effective immediately:

- **Etleva Kadilli** (Alternate Board Member) until 31 December 2019.

e) **Appoint** the following to the Programme and Policy Committee effective immediately:

- **Naomi Dumbrell** (Committee Delegate) until 31 December 2019.

- **Joan Valadou** (Committee Delegate) until 31 December 2019.

4. Proposed Governance Review

- 4.1 Philip Armstrong, Director, Governance and Secretary to the Board, presented this item (Doc 04) reminding the Committee that as Gavi is a registered Swiss Foundation, should there be any proposals going forward to amend the Gavi Statutes and/or By-laws this will require prior consultation with the Swiss Supervisory Authority for Foundations, which can be a lengthy and time consuming process.
- 4.2 He also sought to reiterate the point that this is an early perspective and given time constraints, it would be difficult to elaborate on some of the issues that would be highlighted in the presentation without full and proper elaboration as to the reasoning behind the points highlighted. So, this would warrant further discussion with the necessary time and space to elaborate and more carefully explain the points.
- 4.3 He presented information relating to respected studies done on the governance of global partnerships which conclude that within such partnerships there are very often trade-offs between “inclusiveness” and “effectiveness”, with “inclusiveness” and “participation” pursued as goals in themselves vs functional efficiencies.
- 4.4 Mr Armstrong highlighted that if Gavi is to embark on a governance review it will first be important to define the “problem statement” as this was not entirely clear from various issues being raised among some constituencies and Board members. If there is appetite to address only certain areas it will be important to be aware that this might lead to other consequential implications that might not previously have been considered problematic. The better alternative might be to take a take a holistic view and look at the system overall and consider the implications and trade-offs on a more considered basis, but this would be a much lengthier process.
- 4.5 Based on input he has had from discussions with Board members as well as through the recent Board Effectiveness Review, some possible areas for consideration have been identified, namely: the introduction of new donors and subsequently making space for them in Gavi’s governance structures; realigning developing country clusters to the Gavi 5.0 objectives; concerns around Board Committee effectiveness, composition and structure, in particular relating to the Programme and Policy Committee; concerns around the role of the All Chairs Group and whether or not it is really essential, among other things.

Discussion

- Governance Committee members agreed that this is an exercise that requires time, thought and clarity. Noting that there would not be adequate time to discuss the materials shared with the Governance Committee in detail at this meeting,

Committee members were invited to share their comments with the Secretariat in writing.

- Some Committee members felt that priority should be given to considerations relating to new donor engagement.
- The Board Chair expressed her view that there are a lot of considerations that require reflection and that this could be a subject for the closed session of the Board at its next meeting. It was noted that whatever is decided, it will ultimately come down to choices which the Governance Committee and Board feel are optimal and function for Gavi and which all organisations/constituencies can accept.
- In response to a query from a Governance Committee member, the Secretariat noted that it would be preferable to restrict circulation of the materials shared with the Governance Committee for this meeting until such time as the Committee and the Board have had time to further reflect and discuss.

5. Review of Decisions

- 5.1 Philip Armstrong, Director, Governance and Secretary to the Board, reviewed and agreed the language of the decisions with the Committee.

6. Any other business

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

Mr Philip Armstrong
Secretary to the Board

Attachment A: Participants

Committee Members

- Bill Roedy, Chair (recused from Item 2a)
- Craig Burgess
- Daniel Graymore
- Orin Levine
- Harriet Ludwig
- Susan Silbermann
- Stephen Zinser
- Seth Berkley (non-voting)

Secretariat

- Philip Armstrong
- Joanne Goetz

Other Board Members observing

- Ngozi Okonjo-Iweala, Board Chair
- Omar Abdi, Governance Committee member elect

Regrets

- Megan Cain
- Amir Aman Hagos

Gavi Alliance Investment Committee Meeting

10 September 2019

BlackRock Office, New York City

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 08.30 New York City time on 10 September 2019. Stephen Zinser, Investment Committee Chair, chaired the meeting.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc 01a in the Committee pack).
- 1.3 The minutes of the 7 May 2019 meeting were tabled to the Committee for information (Doc 01b). The minutes had been circulated and approved by no-objection on 12 June 2019.
- 1.4 The Committee noted its action sheet (Doc 01c) and the forward work plan (Doc 01d).

2. Manager presentation

- 2.1 The Chair introduced the asset manager and noted that the presentation, at this stage, is for informational purposes only (Doc 02).
- 2.2 Hector Negroni, Founder, and Timothy Romer, Chief Executive Officer, presented the manager and the fund, the team, target deals, target returns, the market opportunities, and outlined their experience and approach to infrastructure debt markets in the US.

Discussion

- In response to a question from a Committee member in relation to how they source their deals, the manager noted that it is primarily through their wide network and connections with broker-dealers. The Committee asked various questions about working with municipalities, liquidity, social infrastructure and specifically the fund's approach to socially responsible investing, sources of financing, investment team composition and experience, deal sourcing and competition.
- The Committee further discussed the firm and fund and the Chair reminded the Committee that an allocation of up to 10% of private debt in the long-term portfolio was approved in principle but that well less than 10% had been invested to date.

- He noted that he and Jeanne Shen would have a follow-up discussion on the manager presentation later this year and would revert back to the Committee as appropriate. In particular it was important to review all potential allocations to the private debt bucket in the context of available market opportunities and Gavi's tolerance for more illiquid investments in the context of Gavi's strategic replenishment for the forthcoming five year period.

3. Climate Change Risk Evaluation

- 3.1 Ms Shen noted that following a request from the Committee at the May 2019 Investment Committee meeting to research and provide options for Gavi to integrate climate change risk into the portfolio review, the Investments team had prepared an outline of approaches (Doc 03).
- 3.2 Ms Shen described the first decision point of exclusion or inclusion used by institutional investors to address climate risk. She then described five possible approaches to address climate risk along with the strengths and weaknesses associated with each.

Discussion

- The Committee discussed the goal of the evaluation, as well as the potential approaches, and how the approaches coincide with the Gavi mission.
- The Committee further discussed the transparency of the holdings shared by Gavi's investment managers. It was noted that that all managers provided holdings by line item, particularly those with private securities.
- NEPC provided inputs regarding the different approaches utilised by institutional investors.
- The Committee requested the Investments team to engage an existing vendor to conduct a carbon related product involvement screen as well as manager carbon risk rating evaluation and present the findings to the Committee in November for further discussion. It is expected that with the benefit of this data, the Committee at the November meeting will choose a policy incorporating one, or more, or a blend of the five options discussed. It is anticipated that the Chair will present the final policy at the December Board meeting.

4. Investment portfolio review

- 4.1 Jeanne Shen, Chief Investment Officer, updated the Committee on the April through July 2019 performance of the investment portfolio, manager activities and related transactions (Doc 04).

- 4.2 Ms Shen noted that US trade tension with its major trading partners counteracted by central bank dovishness drove markets during April through July. She also noted that negative interest rates would present a continuing challenge to the banking sector's profitability and skew investor risk taking.
- 4.3 She reminded the Committee that Gavi has US\$ 199 million cash pending investment in the long-term portfolio.
- 4.4 In relation to the long-term portfolio, Ms Shen noted the positive return in 2Q. She highlighted that the positive impact on an absolute basis was seen across assets, with the Multi-Exposure allocation performing extremely well. The risk return characteristics of the portfolio were highlighted.
- 4.5 Ms Shen stated that the total Gavi portfolio had generated an estimated net investment income of approximately US\$ 100 million year-to-date.
- 4.6 She presented the portfolio allocation and noted it is within the approved ranges for each exposure. She also presented potential additional allocations to two existing fund managers in order to deploy a portion of the cash pending investment.
- 4.7 Ms Shen shared with the Committee updates regarding recent and upcoming transactions and presented a recommendation in connection with a dispersion fund that seeks to exploit demand/supply imbalances between broad index and individual stock options.
- 4.8 With regards to Socially Responsible Investment (SRI), Ms Shen presented the results of the December 2018 screen and noted only one manager modestly exceeded the 2% threshold.
- 4.9 To conclude, Ms Shen noted that the Investments team issued a gender equity questionnaire to its investment managers. Ms Shen highlighted the questions and reviewed the manager responses

Discussion

- In response to a question, Ms Shen indicated that at some point the economic and credit cycle is due to mature, and returns in the future, and in particular the remainder of the year, would likely be lower.
- The Chair indicated that GAVI's Equity allocation underperformed the long only benchmark due to Gavi's allocation to hedged and contrarian strategies. This is expected and would always be the case in a rising equity market.
- The Committee discussed the advantages of the recommended dispersion fund in counter balancing equity and other potentially volatile exposures in the portfolio.
- Committee members enquired as to what extent NEPC could assist with diversity related issues. NEPC noted that they are looking into diversity issues more

extensively, including gender diversity, and detailed actions taken by firms in that regard.

- The Committee discussed the findings of the gender equality questionnaire, and requested that the Investments team explore a criteria for the annual risk review that considers both gender equity policy and gender pay review. The Committee also asked whether one or more of the multiple criteria in the annual Manager risk review are less important and/or redundant and can be removed.
- The Chair expressed appreciation to the Investments team for the performance results. He also expressed caution about results going forward taking into account slowing global growth, stretched valuations in certain asset classes and continued geopolitical uncertainty.
- The Chair also expressed appreciation to his fellow members for their time given to the number of topics and the productive discussion.
- The Committee **approved** the following recommendations:
 - To invest an additional US\$ 5 million with a Multi-Exposure trend following manager
 - To invest an additional US\$ 15 million with a credit focused manager
 - To invest US\$ 25 million in the dispersion fund and assign it to Gavi's Tactical allocation, contingent on there being no issues arising during the remaining due diligence process.

5. Market Review and Regional Focus on Asia

- 5.1 Mr Sebastian Grzejka, NEPC, discussed opportunities in the Asia region. He presented information on growth in Asia and noted that even with the recent slowdown in growth, forward looking trends continue to point to the region remaining an important market for investors. He noted also that demographics and expanding consumer class make Asia attractive.
- 5.2 Mr Grzejka indicated that the overall Asian Pacific region represents a series of related and interconnected markets with multiple sectors represented. He noted that inefficient and dislocated markets can normally provide a solid opportunity for active management.

Discussion

- In response to a question from a Committee member Mr Grzejka indicated that despite challenges the growth in China is still expected to be high.

- The Committee discussed the opportunity as well as potential risks, including liquidity.
- The Chair expressed the view that NEPC and the Investment Staff should be looking in particular at more liquid long/short equity strategies. While not ruling out a private debt strategy the legal environment in much of the region is more uncertain in respect of creditor rights.

6. Any other business

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

Mrs Joanne Goetz
Secretary to the Meeting

Attachment A

Participants

Committee Members

- Stephen Zinser, Chair
- William Roedy
- David Sidwell
- Matthias Reinicke*
- Margaret Hamburg*

Observers

- Afsaneh Beschloss*
- George W. Wellde Jr.

Secretariat

- Joanne Goetz
- Assietou Sylla Diouf
- Jeanne Shen
- Liron Sharon*
- Lauren Cui*
- Sandra Gonzalez Nederstigt*

Guests

- Hector Negroni (Fundamental)
- Timothy Romer (Fundamental)
- Steven Pinkos* (Fundamental)
- Sebastian Grzejka (NEPC)
- Dulari Pancholi (NEPC)

*Denotes participation via telephone

REVIEW OF DECISIONS

INVESTMENT COMMITTEE

14 November 2019, Teleconference

Decision: Sustainable Investment Policy

The Gavi Alliance Investment Committee **approved** the Sustainable Investment Policy as set out in Annex C, Doc 04.



REVIEW OF DECISIONS

EVALUATION ADVISORY COMMITTEE
2-3 October 2019, Geneva

Decision 1: Evaluation Workplan

The Gavi Alliance Evaluation Advisory Committee:

- a) **Approved** the multi-year workplan for the remaining Gavi strategy period (2019-2020) as set out in Annex B to Doc 05b, as amended by discussions at the EAC; and
- b) **Noted** the decentralised evaluation workplan; and
- c) **Agreed** on the level of EAC involvement for the centralised evaluations of high strategic value to the Gavi Board.

Thank you

