

Gavi Alliance Governance Committee Meeting

5 December 2016

Sofitel Abidjan Hotel Ivoire, Abidjan, Côte d'Ivoire

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 11.31 local time on 5 December 2016. Gunilla Carlsson, Acting Governance Committee Chair, chaired the meeting.
- 1.2 The Chair welcomed Dr Ngozi Okonjo-Iweala, Gavi Alliance Board Chair, as well as David Sidwell, Audit and Finance Committee Chair whom she had invited to join the meeting and who would speak to the review of the Committee Charters later in the meeting. She also welcomed Neil Hindle, Egon Zehnder International (EZI).
- 1.3 She recognised a number of Committee members whose terms were coming to an end after December, namely Javier Hernandez Pena, Eivind Homme, Laura Laughlin and Jan Paehler, as well as the contributions of Donal Brown and Kesetebirhan Admasu both of whom had been unable to attend this meeting.
- 1.4 Standing declarations of interest were tabled to the Committee (Doc 01a in the Committee pack).
- 1.5 The Committee noted the minutes of its meeting on 14 October 2016 (Doc 01b), which had been approved by no-objection on 14 November 2016 and the notes of discussions from its ad-hoc meetings on 14 October 2016 (Doc 01c) and 9 November 2016 (01d).
- 1.6 Finally, the Committee noted the action sheet (01e) and forward workplan (Doc 01f). In relation to the latter, the Acting Chair highlighted that there has been a lot mentioned in the Board and Committee self-evaluation around the question of agenda consultation, mainly in respect of the Board. She pointed out that the workplan is an instrument designed to generate consultation with Committee members for thoughts and ideas on agenda formulation in advance of scheduled meetings and can always be submitted to either herself or Philip Armstrong for consideration.

2. Update on the Unaffiliated Recruitment Subcommittee

- 2.1 In the absence of William Roedy, Subcommittee Chair, Blair Exell provided an update to the Governance Committee on the Recruitment of Unaffiliated Board Members.
- 2.2 He outlined the Subcommittee process and the steps undertaken to assess potential candidates and have a pipeline and forward planning process. He referred to a matrix which was compiled by the Director of Governance and which is used to look not only at the competencies of potential candidates, but also information relating to their willingness and availability to attend meetings, their professional background and technical experience etc.
- 2.3 He informed Governance Committee members that a short list is put together of candidates who are considered to meet immediate Board requirements and a longer term pipeline of names compiled from suggestions made by the Subcommittee and other Board members.
- 2.4 Once a potential leading candidate has been identified to fill a vacant position, they are approached in order to ascertain their interest and willingness to serve. Two candidates were identified and proposed to the Board in this manner, namely Helen Rees in June, and Margaret (Peggy) Hamburg at this meeting.

Discussion

- Governance Committee members appreciated the information in relation to the recruitment process which clarified that it is indeed a thorough process, ensuring due diligence in the identification and recruitment of potential candidates for the Unaffiliated member seats on the Gavi Board.

3. Board and Committee nominations

- 3.1 Philip Armstrong, Director, Governance and Secretary to the Board, reviewed the recommendations received for Board and Committee membership (Doc 03). He also referred to the decision not to put forward certain nominations for the AFC and the PPC in the light of guidance from the respective Committee Chairs in the context of the ongoing Board and Committee self-evaluation.

Discussion

- The Acting Chair highlighted to the Committee that she felt that the role of the Governance Committee could be strengthened in the future in relation to the overall Board and Committee nomination process in particular in relation to the consideration of issues such as continuing high levels of Board turnover, challenges with principles and criteria around nominations to get the necessary balance on Committees, and with nominations from the Developing Country constituency.

- In response to questions from the Governance Committee relating to the nominations received from the SEARO/WPRO constituency, Mr Armstrong outlined the constituency nomination process which had been followed. In this context the Governance Committee agreed that it would be appropriate to put forward the nomination of the Minister of Myanmar for appointment to the Board, but also agreed that it would be useful for clear guidelines to be drawn up not only for the constituencies but also for the Governance Committee to try to ensure clarity on how such situations should be dealt with in the future, should they indeed arise.
- Governance Committee members noted that there are some tensions in relation to ensuring a balance on the Committees between Board Members and Committee Delegates, while at the same time taking into account both representation and skill sets and that this will be discussed further in the context of the Board and Committee self-evaluation.

Decision One

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

- a) That it **appoint** the following Board Members:
 - **Margaret (Peggy) Hamburg** as an Unaffiliated Board Member in the seat formerly held by HRH Infanta Cristina of Spain effective immediately and until 31 December 2019.
 - **Myint Htwe** of Myanmar of Nepal as Board Member representing the developing country constituency in the seat previously held by Ramjanam Chaudhary of Nepal effective immediately and until 31 December 2017.
- b) That it **appoint** the following Alternate Board Members:
 - **Yifru Berhan Mitke** of Ethiopia as Alternate Board Member representing the developing country constituency in the seat previously held by Kesetebirhan Admasu of Ethiopia effective immediately and until 31 December 2017.
 - **Lyn Morgan** as Alternate Board Member representing the industrialised vaccine industry constituency in the seat currently held by Laura Laughlin effective 1 January 2017 until 31 July 2017.
- c) That it **appoint** the following to the Governance Committee:
 - **Lyn Morgan** (Alternate Board Member) effective 1 January 2017 until 31 July 2017.
- d) That it **appoint** the following to the Evaluation Advisory Committee effective 1 January 2017:
 - **Anna Hamrell** (Alternate Board Member) until 31 December 2018.
 - **Wieneke Vullings** (Independent Expert) until 31 December 2019.

- **Nina Schwalbe** (Independent Expert) until 31 December 2019.
- **Viroj Tangcharoensathien** (Independent Expert) until 31 December 2019

4. IRC nominations

- 4.1 Philip Armstrong, Director, Governance and Secretary to the Board, reviewed the recommendations for IRC nominations (Doc 04).

Decision Two

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

- a) **Extend** the terms of the IRC members listed in Annex A, Table 1 of Document 04 for a further three-year term from 1 April 2017 until 31 March 2020;
- b) **Ratify** the emergency appointment of seven IRC members by the Chief Executive Officer in concurrence with the Chair of the Programme and Policy Committee (PPC) under Article 5.1.1 of the By-Laws, whose names are listed in Annex A, Table 2 to Doc 04, for a term effective 14 October 2016 until 31 March 2019;
- c) **Appoint** as new IRC members the individuals listed in Annex A, Table 3 to Doc 04 for terms effective immediately until 31 March 2019.

5. Process for Vice Chair recruitment

- 5.1 The Acting Chair referred to the background to this item as set out in Doc 05. She noted that independently of whether or not Dr Bustreo makes the final shortlist for the position of Director General at the WHO, her current term as Vice Chair of the Board ends on 30 June 2017. In this context, it is therefore necessary to start giving consideration to nominating a new Vice Chair for approval by the Board in due course.
- 5.2 Philip Armstrong, Director, Governance and Secretary to the Board, presented information on the proposed process and terms of reference, as outlined in the paper.

Discussion

- Governance Committee members noted that there is no prescribed process for the Vice Chair recruitment process in the Gavi Statutes and By-Laws, and agreed that going forward it would be useful to have a clearly defined process as well as terms of reference.
- Governance Committee members referred to the discussion they had had at their 14 October meeting in relation to the leave of absence of the current Vice Chair

and confirmed that they are comfortable with the current arrangements until end January. They felt however that should Dr Bustreo not be in a position at that time to resume her position, it would be necessary to perhaps think about filling the position in the interim period to end June.

- In relation to the different possible options after end January 2017, the Governance Committee agreed that it would be useful to see the related timelines for the process leading up to the June Board meeting. The Secretariat noted that:
 - should Dr Bustreo not be shortlisted for the WHO position, she would resume her active role as Vice Chair of the Gavi Board at the end of January 2017 or once the results of the shortlisting is known. The position of Vice Chair would then only become vacant at 30 June 2017.
 - However, it should be noted as previously advised, that Dr Bustreo will be required to re-apply for her position in WHO following the appointment of a new Director-General at the World Health Assembly in May 2017 and so her continuing position on the Board between May and June 2017 would need to be clarified.
 - If Dr Bustreo does make the shortlist in January 2017, then it is highly unlikely she will be able to continue on the Board in any capacity and may want to relinquish her position at that time but this can only be established once the results of the January shortlisting are known. In which case, an acting Vice Chair will need to be nominated from among the Board members in consultation with the Board Chair. This would have to take place as early as possible after the shortlisting results are known e.g. February 2017.
 - It should be noted that any decision in this regard requiring Board approval can only take place in April 2017 at the earliest when the Board meets for the Retreat or in June 2017 when the Board formally meets.
- Governance Committee members noted that in line with the Gavi Statutes and By-Laws the Vice Chair must not only be a member of the Board, but must also be an independent voice, namely that should he or she represent an eligible organisation or constituency on the Board, as Vice Chair he or she should not express his or her organisation or constituency viewpoints during Board and Committee discussions. The Alternate Board member would therefore be the one to express the relevant organisation or constituency views.
- Governance Committee highlighted the importance of the terms of reference being very clear about the role and time commitment required of the Vice Chair in supporting the Board Chair, including in relation to the additional role as Chair of the Governance Committee and whether this should continue to be an automatic appointment in light of the potentially expanded role of the Vice Chair or whether the Chair of the Governance Committee should be thought of as a separate Board member (Note: Statutes currently require the Vice Chair to Chair the Governance Committee).

Decision Three

The Gavi Alliance Governance Committee **approved**:

- a) the draft terms of reference for the position of Board Vice Chair as set out in Annex A to Doc 05 as amended by discussions at the Governance Committee; and
- b) the establishment of a Board Vice Chair Nominations Subcommittee set out in Annex B to Doc 05 comprising the Board Chair, the acting Chair of the Governance Committee and two additional members of the Governance Committee to consider and institute an appropriate process for the nomination of a suitable candidate to fill the position of Board Vice Chair.

6. Review of Committee Charters

- 6.1 Philip Armstrong, Director, Governance and Secretary to the Board, presented information on the review of the Audit and Finance Committee (AFC) and Investment Committee (IC) Charters, as described in Doc 06.
- 6.2 David Sidwell, AFC Chair, provided additional information on the review of the AFC Charter, which had been carried out in the context of ensuring that the Charter reflects the actual work being carried out by the Committee and is now consistent with internationally-accepted best practices as appropriate. The review was supported by an independent view from KPMG, as well as an independent expert, and the proposed Charter focuses on the AFC's role in relation to oversight, review and monitoring, rather than executing which is the role of the Secretariat.
- 6.3 Mr Sidwell drew attention in particular to the proposed membership of the Committee and the importance of ensuring a majority of Board Members and Alternate Board members. Whilst recognising that there are no doubt a number of other persons who have the skill sets to sit on the AFC, he reminded Governance Committee members of the importance of keeping the right balance to ensure that there is a connection between the work of the Board and the work of the Committees.
- 6.4 Mr Armstrong confirmed for Governance Committee members that the review of the IC had followed similar principles and considerations.

Discussion

- Governance Committee members noted the AFC's Chair's comments in relation to the importance of the AFC being chaired by an Unaffiliated Board member, to ensure that in setting the agenda and managing the work flow of the Committee there is no doubt that that person does not have any interests, other than those of Gavi.
- In relation to the requirement to ensure that the Committee is comprised of a majority of Board members, the Governance Committee suggested that one way

of ensuring this might be to consider removing the restriction for the Statutes and By-Laws whereby eligible organisations and constituencies must limit their representation on the Board Committees to three.

Decision Four

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

- a) **approve** the revised and updated Committee Charter for the Audit and Finance Committee attached as Annex A; and
- b) **approve** the revised and updated Committee Charter for the Investment Committee attached as Annex D.

7. 2016 Board and Committee self-evaluation

- 7.1 The Chair introduced this item, highlighting that the aim of this meeting should be to ensure that the Governance Committee gets a good appreciation for the reasons for the changes being proposed by EZI, and that Committee members land on a generally agreed position on the findings and recommendations that can then be submitted to the closed session of the Board on the following day.
- 7.2 She indicated that there are a number of issues around process and behaviour which can be readily addressed in the short term, and that there are structural issues that will require further deliberation and development through the Governance Committee, which could be brought back to the Board for discussion at the April Board Retreat, and then presented to the Board as concrete proposals for approval at its June 2017 meeting.
- 7.2 Neil Hindle, EZI, presented the findings and recommendations being proposed for the Governance Committee to put forward to the Board.

Discussion

- Governance Committee members agreed on the need for the Committee to play a stronger role going forward in managing Gavi's governance, including strong leadership required to managing the changes which will need to be implemented as a result of this Board and Committee self-evaluation exercise.
- In relation to support for the Board Chair, it was suggested that it would either be necessary to change the terms of reference for the position or to ensure adequate support for him/her through a supportive governance structure and other appropriate mechanisms (refer earlier discussion on the ToR for the Vice Chair).
- Governance Committee members discussed the proposed recommendations in relation to elevating Board discussions and provided suggestions for some rewording and restructuring before submission to the Board the next day. They

discussed in particular matters relating to Board papers (structure and timeline for circulation), agenda setting, discouraging the reading of prepared statements from constituencies during meetings etc.

- Governance Committee members highlighted the importance of ensuring that all Board members understand that what is being proposed is a twin track process.
- The Committee discussed the recommendations in relation to the Board Committees and following discussion acknowledged that while there are different views in relation to the Executive Committee (EC) as it stands, the wider Board in the context of this self-evaluation exercise, has expressed a general lack of trust and satisfaction in relation to the EC and that this needs to be addressed.
- Following discussion, a consensus was reached on the need to further explore the options of having a committee which deals with time sensitive and commercially sensitive matters, with decision-making authority, and a separate smaller advisory committee, comprising the Board Committee Chairs and a limited number of others, to provide advice to the Board Chair and the CEO, in particular in relation to new and emerging issues, and at what time, and in what format, it might be appropriate to bring them to the attention of the Board and to consider sensitive issues such as the CEO appraisal before discussion with the Board.
- It was agreed that when information is presented to the April Board Retreat it would be useful to present packages with options, one of which should be the status quo.

8. Board Travel Policy

- 8.1 Joanne Goetz, Head, Governance, referred to Doc 08 which in addition to providing information on the implementation of the Board Travel Policy, proposed a revision of the policy, to align the per diem rates with those which had recently been implemented in relation to the policy for Gavi staff and consultants.

Decision Five

The Gavi Alliance Governance Committee **recommended** to the Gavi Alliance Board that it approve amendments to the Board Travel Policy as outlined in Annex A to Doc 08.

9. Review of decisions and any other business

- 9.1 Philip Armstrong reviewed and agreed the language of the decisions with the Committee.
- 9.2 Laura Laughlin referred to the letters which had been submitted directly to Board members over the past few days in relation to a request from the Government of Jordan for support and questioned the process, in particular considering that a number of the letters were coming from members of Gavi constituencies. It was

noted that this was to be an item which the Board Chair wished to address with the Board in closed session the following day.

- 9.3 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

- Gunilla Carlsson (Acting Chair)
- Blair Exell
- Javier Hernández Peña
- Eivind S. Homme
- Laura Laughlin
- Orin Levine
- Jan Paehler
- Samba O. Sow
- Naveen Thacker
- Seth Berkley (non-voting)

Committee member-elect

- Daniel Graymore

Regrets

- Flavia Bustreo, Chair
- Donal Brown
- Kesetebirhan Admasu

Board Members attending as Observers

- Ngozi Okonjo-Iweala, Board Chair
- David Sidwell, Audit and Finance Committee Chair

Secretariat

- Philip Armstrong
- Joanne Goetz

Guests

- Neil Hindle, Egon Zehnder

Observers

- Lidija Kamara, Special Adviser to the Board Vice Chair