GAVI Alliance Governance Committee Meeting
26 September 2013
New York, NY, USA

FINAL MINUTES

1. Chair's report

1.1 Finding a quorum of members present, the meeting commenced at 11.10 New York time on 26 September 2013. Geeta Rao Gupta, Governance Committee Chair, chaired the meeting.

1.2 The Chair thanked members for joining the workshop. Noting the difficulties in bringing everyone together in person, she suggested that in 2014, the Committee might meet on the margins of Board meetings to facilitate face to face contact.

1.3 Standing declarations of interest were tabled to the Committee (Doc 1a in the Committee pack); there were no additional conflicts to be declared. The Committee also noted the minutes of its meeting on 10 June 2013 (Doc 1b), which were approved by no-objection on 23 August 2013.

1.4 The Committee reviewed its action sheet (Doc 1c) and its forward workplan (Doc 1d).

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2. Board and committee self-evaluation for 2014

2.1 The Governance Committee had agreed at its meeting in 10 June 2013 to hold a workshop focusing on the design and content of the Board and committees' self-evaluation for 2014. The Chair noted that the purpose of what would become the third Board and Committee self-assessment was to assess the Board and committees' governance practices overall, and to benchmark these practices versus the previous self-assessment conducted in 2011-2012. In addition, the new self-assessment will allow the Board to determine whether GAVI's governance system is fit for purpose to implement the strategic plan now in development for 2016-2020.

2.2 Naina Dhingra from McKinsey & Company, who had facilitated the previous self-assessment, was invited to facilitate again. Ms Dhingra tabled a paper ahead of the meeting that proposed a methodology for conducting the self-

evaluation, suggested enhancements to the previous survey, and included a schedule of key dates with a view to delivering a draft report to the Governance Committee in February 2014 (Doc 2). She suggested, and the Committee agreed, to approach the discussion by first reviewing general governance trends, then take stock of what had been accomplished since the last self-assessment, and finally conferring on the proposed methodology and in particular, agreeing to the areas the Committee wanted the self-assessment to cover, and also to consider what the governance structure should look like post-2016.

Governance trends

2.3   Naina Dhingra outlined the recent governance trends McKinsey & Co. had observed among the private and social sector boards. In the private sector, the engagement of board members in corporate strategy and their collaboration with management had been improving. These improvements were the result of activist company shareholders requiring more transparency from their boards and managers. However, McKinsey also found that board members had a limited understanding of the risks facing their organisations and that they were generally not devoting enough time to perform their responsibilities.

2.4   In the social sector, McKinsey & Co. reported that boards were properly focusing more time on strategic issues and clarifying their governance structures. Even so, social sector boards did not have robust board member succession planning or a good understanding of prudent risk taking.

2.5   The Committee welcomed McKinsey & Company's willingness to benchmark the GAVI Alliance's survey results against those of comparator organisations in addition to benchmarking against the GAVI Board's previous self-assessment findings.

Accomplishments since the 2011-2012 self-assessment

2.6   The Committee had a wide-ranging discussion as to how useful the previous self-assessment had been in stimulating improvements to the governance structure. At the time of the last self-assessment, there had been little appetite for sweeping changes because the governance system was still relatively new. As such, the Committee had focused on identifying incremental improvements.

2.7   Debbie Adams, Managing Director of Law and Governance and Secretary, and Kevin A. Klock, Head of Governance and Assistant Secretary reviewed how the recommendations of the 2011-2012 self-assessment had been implemented. These included the following:

a) A review of overlaps in committee mandates: The principal outcome of this review was a clarification of the process to develop and approve the strategic plan and associated business plans.

b) Dialogue on the management of conflicts of interest, particularly in the realm of commercially-sensitive decisions: The outcome of this dialogue

was an agreement to normally discussion and take commercially-sensitive decisions at the Executive Committee, which was facilitated by the offer of the vaccine manufacturers to permanently step down from the EC.

c) Raising the Board's attention to the most strategic matters while delegating more routine or operational tasks to the committees, Secretariat, and partners: To facilitate this, the Board instituted a consent agenda that would allow operational recommendations from committees to be approved en masse or to be removed from the consent agenda for broader discussion. In addition, the committee reports were placed back at the beginning of Board agendas in order to inform the Board as to their activities so that members would not feel that they had to rehash discussions that had already taken place.

d) As a result of the first Board and committee self-assessment (completed in 2010), the Board instituted a no-objection voting procedure to approve its annual financial statements in between meetings. As a result of the second Board and committee self-assessment (2011-2012), the Board expanded the procedure further to allow for the approval of meeting minutes in between Board and committee meetings. The Governance Committee had also considered expanding the no-objection procedure more generally, but after careful consideration, had decided not to do so in favour of doing it on a case by case basis.

e) The second self-evaluation had also informed discussions that ultimately led to the Governance Committee not to recommend to the Board to make certain other changes. For example, concerned about the size of the Board and committees, the Governance Committee had decided not to recommend expansion of the Board or committees in one-off cases, instead reserving those discussions when they could be done more holistically following the next Board and committee self-assessment planned for 2014.

2.8   The Committee agreed that it had largely addressed the findings of the last survey but that significant questions remained. For some of these issues, the question persists whether there is political appetite to address the issues or to significantly change GAVI's governance model, particularly given that the Board needs to maintain its attention on delivering on the Alliance's mission.

Methodology

2.9   McKinsey & Co. proposed to conduct the self-assessment through an online survey, follow-up interviews, and workshops. In an effort to be thorough, but understanding the limited time available for Board members to engage in the process, the Committee agreed that there would be a survey and follow-up interviews for the Board, PPC, and Executive Committee only and that the assessment of the Audit and Finance Committee, Governance Committee, Investment Committee, and Evaluation Advisory Committee would be conducted in Committee workshops which would be held at the end of each of these Committees' forthcoming meetings.

2.10   McKinsey & Co. queried how widely surveys or interviews should be conducted; i.e. beyond Board members, alternate members and Committee Delegates. Though acknowledging the value of Alliance stakeholder opinions, the Committee reiterated that this was a *self*-assessment, and so participants would include mainly members of the Board and committees. The Committee agreed that McKinsey & Co. could interview a small number of Secretariat staff members who have frequent interaction with the Board and committees although it felt that the Secretariat responses should be separated out from the Board and committee member responses.

2.11   Interviews will be conducted one-to-one between the interviewee and either Naina Dhingra or a colleague from McKinsey & Co. While there would be a few questions that would be asked of all respondents, these interview sessions provide a means of exploring in more detail discrete areas of concern or importance to the interviewee. Further, McKinsey & Co. will seek to track trends from the interviews in order to highlight common themes across respondents. The Chair requested McKinsey & Co. to share with the Committee what the interviews will cover in depth, and what will be asked of the Committee at its next meeting in early November 2013.

2.12   The Committee noted that the cost of the new self-assessment would be the same as the cost to perform the 2011-2012 self-assessment despite a planned increase in scope (of one-to-one interviewees).

Key areas of inquiry

2.13   The Committee agreed that many of the questions asked during the last self-assessment should remain in order to enable benchmarking.

2.14   Following discussion, the Chair highlighted, and the Committee agreed upon, four key and inter-related areas that the self-assessment must address:

a) Board composition: What constituencies should be represented on the Board and what purpose will they serve in the GAVI Alliance's next phase of operations? How many of each constituency are needed? What complimentary roles do the unaffiliated members play?

b) Committees: What kind of composition is right for each of the committees and who among Board members, alternate Board members, delegates, and experts should sit on them? What do Board members think of the committees' performances now and what relationship must the committees have with the Board such that the Board can rely on them sufficiently?

c) Individual commitment and turnover: How does the GAVI Alliance get a long-term, sustained commitment from individual Board members so that the Board does not have to restart conversations each meeting with a new group of people around the table? What stands in the way of that, particularly with the representative Board members who share their seats among large/diverse constituencies?

d) Agility/speed of decision-making: How does the Board become more nimble, flexible, and agile in its decision-making while still being inclusive

and thorough? What are the barriers that are disproportionately hampering the GAVI Alliance's ability to respond quickly to challenges and opportunities?

2.15   The Committee Chair reported that Dagfinn Høybråten, Chair of the Board, requested that a question on his performance as Board Chair be included in the survey.

2.16   The Committee requested McKinsey & Co. to incorporate the Committee's instructions and discussion into the next iteration of the draft survey, and to table ahead of the Committee's 4 November meeting revised surveys and an interview guide for the Committee to review and endorse.

2.17   The Chair noted that she would update the Executive Committee on progress at the EC's meeting the next day.

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3.   Board Travel Policy

3.1   At its meeting in June 2013, the Board discussed a proposed Board Travel Policy that had been put forward by the Governance Committee. Board members raised questions about the criteria for funding business class tickets and it was decided to refer the matter for further discussion to the Governance Committee (Doc 3).

Discussion

- The Committee noted that a clear, transparent policy was desirable but that it also needed to have some flexibility because if it was managed too tightly, exceptions could overtake the general rule. In that spirit, it was helpful that the Secretariat had performed some benchmarking against comparator organisations (for example, WHO has a six hour board travel policy) so that the GAVI Alliance would not find itself as an inadvertent outlier.

- The Committee acknowledged the particular challenges of travelling from the developing world and the need for ministers of health who represent Developing Country constituencies to have some flexibility to be able to accommodate urgent, last moment needs of their prime ministers.

- The Committee agreed that when GAVI pays for the travel of certain Board members, it should pay for business class airfare only for flights (including necessary stopovers) of six hours or longer but would take a firm decision at its next Committee meeting in November 2013 once the Secretariat had conducted more extensive benchmarking of comparator organisations' board travel policies.

Debbie Adams confirmed that she would distribute a reminder email to the Board on the deadline to nominate Board members, alternates, or committee members.

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

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Ms Debbie Adams
Secretary to the Board

Attachment A

Participants

Committee Members
- Geeta Rao Gupta, Chair
- Nicholas Alipui
- Donal Brown
- José Luis Solano
- Samba O. Sow
- George W. Wellde, Jr.
- Seth Berkley (non-voting)

Regrets
- Dwight Bush
- Maria C. Freire
- Olga Popova

Secretariat
- Debbie Adams
- Helen Evans
- Kevin A. Klock

Guest
- Naina Dhingra, McKinsey & Company
- Gian Gandhi, Senior Adviser to the Board Vice Chair