



GAVI Alliance Board Meeting

16-17 November 2011

Dhaka, Bangladesh

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 9.03 Dhaka time on 16 November 2011. Dagfinn Høybråten, Board Chair, chaired the meeting.
- 1.2 The Chair welcomed new Board members and alternates, Her Royal Highness Princess Cristina of Spain, and members of the board of the International Finance Facility for Immunisation (IFFIm). Also, he thanked the Ministry of Health of Bangladesh for hosting the meeting and the Secretariat Governance team and local staff of BRAC, WHO, and UNICEF for their assistance. He cited this as a good example of the GAVI partnership at work.
- 1.3 The Chair summarised the outcomes of the executive session of the Board held on 15 November 2011: He noted that the process for constructing the 2012 budget had been extraordinary given the change in Secretariat leadership and committed that the 2013 process would be more ordinary, starting with Executive Committee consultation. Next, he highlighted work to be done on managing conflicts of interest, including clarifying the role of the vaccine industry in GAVI's governance. There had been good dialogue and proper management of conflicts to date, but the Board needs an agreed-upon, comprehensive philosophy that can be clearly articulated to the public. The Board also discussed roles and responsibilities of the Board, Secretariat and Alliance partners, and agreed to have a full discussion at its 2012 retreat. Finally, the Board received an update from Cees Klumper, Director of Internal Audit, on investigations of misuse in recipient countries.
- 1.4 The Chair reflected on remarks made the previous evening by Ban Ki-moon, Secretary General of the United Nations, to the GAVI Board. The Chair recognised Seth Berkley, Chief Executive Officer, commenting on his determined and enthusiastic start. He also highlighted Sweden's positive assessment of GAVI, noting Sweden's recently released review that stated that GAVI is highly relevant to its development cooperation and that GAVI's internal and external effectiveness is very high.
- 1.5 Standing declarations of interest were tabled to the Board (Doc 01a in the Board pack). In addition, Ronald Brus reported that given Crucell's purchase by Johnson & Johnson, he would have an interest in any matter involving either company. Also, Rajeev Venkayya reported that he had accepted a senior position in Takeda Pharmaceuticals and would have an interest in any matter involving that company, though he was unaware of any current financial relationship between GAVI and Takeda.
- 1.6 The Board noted the minutes of its meeting on 7-8 July 2011 in Geneva (Doc 01b). These minutes were approved by no objection on 18 September 2011, under section 2.7.3.3 of the By-Laws. In addition, the Board noted the record of actions (Doc 01c), and its forward workplan (Doc 01d).

Discussion

- The Board discussed how to address requests made to the Secretariat by Board members during discussion. The Chair suggested that a list of such requests be compiled, where it was clear that a request reflected the general view of the Board, after the meeting for review and endorsement by the Executive Committee.

2. CEO report

- 2.1 Seth Berkley delivered his first presentation to the Board as CEO on the activities and achievements of the Alliance (Doc 02). His presentation covered new results, accelerated activities, an overview of expenditure and resources – with a longer term view to the horizon, opportunities and challenges, and the key decisions and themes for discussion at the Board meeting.

- 2.2 The CEO presentation and report showed that GAVI has a firm financial foundation, provided that GAVI receives the pledges that were made at the London pledging conference, and continues to proactively seek new contributions. With these resources GAVI will be able to fund the acceleration of demand that has been seen since London and an unprecedented increase in the number of vaccine introductions in the coming years.
- 2.3 The presentation included a preliminary snapshot of the immunisation landscape beyond the vaccines currently funded by GAVI – touching on the synergies and shared learning between various elements such as traditional and new vaccines, R&D for new vaccines and vaccine improvement, regional vaccines, Polio, and Measles and consider innovative ways to drive resources for high impact new vaccines as they are developed. At the same time, the presentation reinforced that as a first priority, the Alliance must remain focused and deliver on its existing ambitious agenda.
- 2.4 The Chair noted two key points: the first was the need to improve the accuracy of the coverage data that the Alliance relies on to make decisions. The second was the ongoing issue of equity of access to life saving vaccines, a priority for GAVI, as illustrated by the slides on the burden of cervical cancer and where the HPV vaccine is currently available.

Discussion

- Board members noted with appreciation the clear and honest analysis of both the current strengths and the weaknesses of the Alliance in the CEO Report and presentation, and requested that future CEO Reports include the same level of candour. Participants also found the wider analysis of the immunisation landscape, including polio and measles, to be useful.
- The Board requested a further discussion on options for how to maximise outcomes from GAVI's investments, and to discuss them during the Board retreat in April 2012. A discussion paper will be circulated to the Board ahead of the retreat and will include where GAVI is today (costs, results), expected results in the future, options, and return on investment.
- Board members also expressed concern over the issues of data quality addressed in the report. Several Board members also welcomed the CEO's suggestion to investigate the possibility of moving from only monitoring deaths averted to also tracking morbidity data.
- The Board suggested the need for a comprehensive long-term advocacy and resource mobilisation strategy, given the potential size of future demand, and requested this topic be considered at the June 2012 meeting.
- Several members of the Board reiterated that it would be worthwhile to have further discussions on matters of Board governance, including roles and responsibilities. In preparation for the discussion at the retreat, the Chair requested that a Board and committee self-assessment exercise be undertaken, building on the one conducted during 2009-2010. The Chair also requested a further analysis from the Secretariat of the number of Board meetings conducted and supporting papers written during the recent past in order to determine if time is being used optimally and the "right" issues are being discussed.
- The Board received an update on the US-hosted immunisation summit, which is envisioned to be a 2-day event in June 2012 incorporating high-level political discussions as well as ministerial/head of health agency level discussions, followed by technical level discussions. The date will be communicated when fixed; this date could have implications for the timing of the next regular Board meeting.

3. Programme update: Accelerated Vaccine Initiative, country programmes, and large countries

Accelerated Vaccine Initiative

- 3.1 Jon Pearman, Director, AVI, and John Wecker, PATH, AVI Technical Assistance Consortium, summarised progress on vaccine introduction and reviewed ongoing challenges to building a successful platform for future introduction of new vaccines (Doc 03a). They reviewed developments in the AVI management structure, and the status of introductions of Pneumococcal, Rotavirus, Meningitis A conjugate and Yellow Fever vaccines, noting the potential new windows for HPV and Rubella. In addition, they delivered a status update on specific workstreams which support vaccine roll-out: the role of GAVI and partners in tracking country readiness, cold chain, surveillance, special studies, demand forecasting, and advocacy and communications.

- 3.2 In summary, there is unprecedented demand and it may be that supply constraints will result in delays for some countries. However, with supply upsides in place, GAVI hopes to perform over and above business plan requirements in terms of Pneumococcal and Rotavirus introductions, reaching 58 Pneumococcal and 46 Rotavirus vaccine introductions by 2015.

Discussion

- The Board acknowledged that the coordination of implementing partners through the AVI platform is an important function of the GAVI Alliance structure.
- In addition to reporting on the number of introductions there was a request to report on coverage and numbers of children vaccinated.
- There was a discussion on the reasons for supply shortage, a request for clarity on the countries impacted, and an explanation of how mitigation strategies were being actively pursued.
- Participants also requested that the strategy for special studies come back to the Board after review by the Programme and Policy Committee (PPC).
- Several Board members queried whether some countries have the capacity to maintain routine immunisation and introduce and sustain new vaccines. It noted that country priorities should drive new vaccine introduction.
- Some Board members noted that an evaluation of the AMC is scheduled for 2012 and that the results may be interesting for many as a model.
- The Board also discussed the importance of accurate demand forecasting as this is critical for determining supply.

Country programmes

- 3.3 Mercy Ahun, Managing Director, Programme Delivery, provided an update on the implementation and performance of country programmes, the outcome of the work of the Large Country Task Team, and the possibility that the Democratic Republic of Congo (DRC) could default on co-financing commitments (Doc 03b).
- 3.4 Countries continue to make progress towards the objectives of the Alliance's strategic goals. Based on WHO/UNICEF estimates, average DTP3 coverage increased from 73% to 82% in GAVI eligible countries from 2009 to 2010¹. In 2010 and 2011, 24 countries conducted Effective Vaccine Management Assessments (EVMS), a new tool to assess quality of cold chain and vaccine management processes in countries.

Discussion

- With regard to the proposed decision on DRC, the Board requested that the resolution emphasise the exceptionality of the case in DRC, and stress the conditionality of the decision, in order to maintain the principles and objectives of the co-financing programme. Board members requested that the Secretariat work with the Government to develop a time-bound plan for how the DRC will comply with its obligations under the Co-financing Policy, and keep the Board informed on these arrangements.
- Board members also noted that the DRC would not be eligible to apply for new vaccine support requiring co-financing until this issue is resolved.
- Board members noted that the Large Country Task Team was a good example of Alliance partners working together. The Board supported the implementation of tailored approaches for India and Nigeria.
- The Board also noted that the existing funding cap on India will expire at the end of 2011 and did not request that it be reinstated on the basis that any request for funding from India will in any case require Board approval.

¹ Average DTP3 coverage for 2010 is 78% if excluding graduating countries

Resolution One**The GAVI Alliance Board:**

- **Approved**, exceptionally, the continuation of existing vaccine support for Pentavalent and Yellow Fever vaccines for the Democratic Republic of Congo (DRC) in 2012 in the event that the country does not pay its 2010 co-financing arrears for these vaccines by the end of 2011;
- **Requested** the Secretariat to work with the Government of the DRC to develop a plan and a timeline for how the DRC will comply with its obligations under the Co-financing Policy and keep the Board informed on these arrangements;
- **Noted** that the DRC would not be eligible to apply for vaccine support requiring co-financing until this issue is resolved.

4. Maximising outcomes from GAVI investments

- 4.1 As noted before, the Chair explained that the subject of maximising outcomes from GAVI investments will be discussed at the retreat in 2012, but invited Board members to provide initial input to the Secretariat.

Discussion

- The Board reiterated its request that the Secretariat develop an options paper on how to maximise outcomes from GAVI investments. The paper should be circulated prior to the retreat so there is common ownership of the subject. In terms of content, the paper should cover: where we are today (costs, results); expected results in the future; options for maximising outcomes (increased coverage, reaching the last 20%, increased focus on countries, new vaccines, what additional resources can achieve, identification of efficiencies, and possible investment in Measles); and return on investment (in terms of financial and economic impact on countries, as well as the possibility of tracking data not just on mortality but also on morbidity).
- Board members were also requested to share any background information on these topics with the Secretariat.

5. Updated long term financials

- 5.1 Barry Greene, Managing Director, Finance and Operations, presented GAVI's updated financial forecast for 2011-2016, as well as changes to the forecast since the London pledging meeting and the outlook through 2020 (Doc 04). With qualifying resources of US\$ 9.1 billion, expenditures through 2016 for all existing programmes and business plan activities (estimated at \$6.4 billion) are fully covered, leaving \$2.7 billion yet to be approved. Notably, based on current estimates, demand for new programmes to be considered for approval in the future is forecasted at \$2.9 billion through 2016; approximately \$0.3 billion in additional resources will be needed for 2016.
- 5.2 As anticipated at the July 2011 Board meeting, the forecasted expenditure for 2011-2015 is larger than the February 2011 estimate because of the magnitude of demand from the new proposals recommended by the IRC in July 2011. Estimates for 2016 have been added to give the Board visibility over the next five years.

Discussion

- The Board discussed the fact that the need for resource mobilisation did not end with the London pledging meeting and appreciated the analysis of needs for 2016 as well as the outlook to 2020.
- The Board queried the reliability of the \$1.1 billion per year allowance for anticipated future contributions in 2015 and 2016 and the risk of those contributions not coming to fruition. Barry Greene explained that, in accordance with the Programme Funding Policy, this allowance is based on the annual average level of total direct contributions currently confirmed for the years 2012-2014. He also explained that the Board will be able to mitigate the risk by slowing the approval of future programmes in the event that contributions were at a lower level than the allowance.

- Further, the Board approved an eight-month cash reserve in November 2009. This provides another safeguard.
- The Board welcomed the Secretariat bringing a long-term resource strategy to the Board in June 2012. The Board also discussed the need for a multi-faceted approach, including resource mobilisation, vaccine price evolution, and supply timeframes that allow for product development and prequalification, and burden sharing by countries. It was suggested that the Secretariat maintain a close dialogue with the Board given the uncertainty in the global economy.

6. Next steps on new vaccine windows

- 6.1 Prior to discussion, Ronald Brus (Industrialised Country Vaccine Industry) and Mahima Datla (Developing Country Vaccine Industry), as well as their Alternate Board Members and constituency colleagues, recused themselves, left the room and did not participate in the voting process.
- 6.2 Nina Schwalbe, Managing Director, Policy and Performance, presented the Board with proposed next steps for GAVI's vaccine portfolio and specific implementation strategies for Human Papillomavirus (HPV) and Rubella vaccines, as recommended by the PPC (Doc 06).
- 6.3 She noted that HPV and Rubella vaccine programmes offer significant opportunities for GAVI: Successful HPV implementation could also improve adolescent health consistent with GAVI's mission and increase synergies among broad coalitions in the public health community (for example, HIV prevention, family planning, nutrition, safe motherhood, maternal/child health). Further, through an immunisation programme that supports Measles/Rubella vaccine, GAVI can contribute to the dual goals of Measles and Rubella elimination.

Discussion

- The Chair noted that the Global Leaders Council for Reproductive Health, comprised of eminent leaders including Fernando Henrique Cardoso, Jan Eliasson, Joy Phumaphi, Mary Robinson, Fred Sai, and Vaira Vike-Freiberga, had written a letter to the Board urging it to make a positive decision on HPV vaccine.
- The CEO noted that lessons can be drawn from the HPV pilot programmes that have already been carried out. In addition, he noted that while there have already been reductions in the price for HPV vaccine, there is still room to reduce further.
- Representatives of Rwanda and Vietnam shared their experiences on successfully introducing HPV in their countries. Key factors for success in those countries included: leadership and advocacy from the top, success in previous vaccination campaigns, collaboration between institutions, and good communication. On this basis, the Board requested that the Secretariat request that countries include community communications strategies as part of their applications for GAVI support.
- Board members requested that a further reduction to prices be a condition to funding the HPV vaccine. They also appreciated that questions raised by the PPC were addressed, including the need for appropriate review criteria and the development of estimates related to country implementation costs. It was suggested that synergies be sought with existing disease prevention programmes targeting adolescent girls in order to reduce the implementation costs and achieve additional results.
- The Board supported funding rubella vaccine but it reinforced that in order to be eligible for GAVI support, countries should demonstrate they can achieve and maintain an 80% coverage rate.

Resolution Two

The GAVI Alliance Board:

- **Opened** a funding window for rubella vaccines such that the GAVI Secretariat can invite proposals for support in 2012 from countries;
- **Opened** a funding window for HPV country proposals provided that:
 - the Secretariat secures acceptable price commitments from industry for HPV vaccines;
 - HPV proposals demonstrate the ability of the country to deliver HPV vaccines to the new target population, including through successful demonstration projects and that a communication strategy is in place in that country;

- **Requested** the Secretariat to work with technical partners to develop HPV demonstration projects following the Board meeting in November 2011;
- **Noted** that Japanese encephalitis is a critically important vaccine, particularly for South East Asia. GAVI should consider opening a window once an appropriate vaccine is prequalified. Continued efforts are needed on surveillance;
- **Decided** not to revisit its previous decision on typhoid noting that the Alliance looks forward to the development of an appropriate conjugate vaccine.

Ronald Brus (Industrialised Country Vaccine Industry) and Mahima Datla (Developing Country Vaccine Industry), as well as their Alternate Board Members and constituency colleagues, recused themselves and left the room during discussion and voting on this resolution.

7. Proposed retirement of the GAVI Fund Affiliate

- 7.1 Eelco Szabó, Director of Law, provided an update to the Board on the analysis undertaken to review the role of the GAVI Fund Affiliate (GFA) within the IFFIm structure (Doc 07). At the end of 2010, GFA, the Secretariat and the IFFIm Company began a review of GFA's historical and ongoing role within the IFFIm structure, and analysed the legal, governance, accounting, and tax implications of amending the IFFIm transaction documents to remove GFA, as well as the impact on the other parties to the structure.
- 7.2 The preliminary study indicates that the key drivers behind the inclusion of GFA in the structure are no longer a concern. It is likely that the roles currently being performed by GFA could be allocated to GAVI or IFFIm. In addition, the removal of GFA could reduce the operational costs of the IFFIm structure in an amount of up to approximately \$1.4 million per year.
- 7.3 The boards of GFA and IFFIm are full participants in this analysis, and consultations with IFFIm's donors are ongoing.

Discussion

- The Board acknowledged it was sensible to look for the most efficient, cost effective and simple means to operate the IFFIm structure. However, Board members noted it was important to take the time for due diligence, including performing a full analysis of the implications for GAVI Board members. The analysis should also include whether this would create any change for the decision on debt recording and its impact on the IFFIm grantors.
- Next steps include holding further consultations with all stakeholders including the IFFIm donors, IFFIm board, GFA board and the World Bank, which serves as IFFIm's treasury manager. Once all are consulted and all legal and strategic implications have been assessed, the Secretariat will present the preferred option on the IFFIm structure to the GAVI Board.

8. International Finance Facility for Immunisation

- 8.1 David Ferreira, Managing Director, Innovative Finance, presented the IFFIm report in the absence of Alan Gillespie, IFFIm Board Chair. Sean Carney, IFFIm Board member and Audit Committee Chair, contributed to the discussions.
- 8.2 Commitments to IFFIm have progressively expanded from \$4 billion at inception to \$6.3 billion following additional commitments from Australia, the Netherlands and South Africa. In 2011, IFFIm received an additional approximately \$100 million from Italy, Brazil, and the UK. The IFFIm evaluation undertaken in 2011 was very positive and indicated that the case for further investment in IFFIm was strong.
- 8.3 IFFIm reached several five-year milestones this year: its inaugural \$1 billion bond was repaid, the Treasury Manager Agreement with the World Bank was renewed, and Alan Gillespie announced his intention to retire as IFFIm Chair, most likely in the first quarter of 2012. A recruitment process to find a new chair was well underway.
- 8.4 The flexibility and long-term predictability of IFFIm funding are valuable to GAVI and its business model. In 2012, a further round of consultations with the IFFIm board, IFFIm donors, and the World Bank will

feed into discussion by the GAVI Board of the future role of IFFIm. This will be brought to the Board in the context of the overall long-term funding strategy for GAVI.

Discussion

- The Chair recognised that IFFIm is an important tool for GAVI on the basis that it allows flexibility to GAVI and to donors, and helps to overcome the challenges of annual parliamentary funding cycles. He acknowledged that IFFIm has special value and its past achievements are clear.
- The Board agreed that the future replenishment of IFFIm would need to be discussed as part of the overall GAVI Alliance long-term funding strategy.
- The Board queried the investor response to the redemption of the inaugural \$1 billion bond. Sean Carney said that there was pent-up demand, and that inaugural bond investors appeared disappointed there was no immediate opportunity for a follow-on investment.

9. GAVI Campaign and private sector outreach

- 9.1 David Ferreira reported on the outcome of an independent review that had been conducted of the GAVI Campaign (Campaign). He also described the ongoing work between the Campaign and the Alliance to unify priorities and identify synergies that will help them engage more effectively with the private sector (Doc 09). In addition, he updated the Board on developments in private sector outreach since the last Board meeting and the outlook for 2012.

Discussion

- The Board expressed its gratitude for the dedication and hard work by the GAVI Campaign board and staff. It agreed that the direction proposed in the report was sensible and expressed appreciation for a clear and frank assessment of the Campaign's achievements and shortcomings.
- The essence of the way forward was twofold: First, core functions of the Campaign would be fully aligned with the Alliance, operationally and strategically. Second, it was necessary and desirable to have a 501(c)(3) organisation remain in existence to facilitate GAVI's private sector outreach activities.
- Board members requested the opportunity to strategise on GAVI's engagement with the private sector, either at a retreat or at the next Board meeting. There was a suggestion that the Fundraising Committee be reactivated to provide support on innovative finance and private sector outreach issues.
- The Board requested further information about the implications for Campaign staff. David Ferreira clarified that there had been transparency with Campaign staff about the Campaign review and the outcome, and that there would be redundancies involved. The next step will be to review the skill sets needed moving forward and to try to match Campaign staff to those roles where possible.
- The Board requested further details about progress on the Matching Fund. David Ferreira provided an update on the activities since the June pledging event and indicated that the next high profile Matching Fund event would likely be at Davos in 2012.

10. Chair's review of day one

- 10.1 The Chair provided an overview of the first day of the Board meeting, and acknowledged departing Board members who had been recognised during the Board dinner the evening before.

11. Country report – Bangladesh

- 11.1 Professor A.F.M. Ruhul Haque, Minister of Health and Family Welfare of Bangladesh, delivered a report on the country's national immunisation programme. He noted the considerable improvement in immunisation coverage in Bangladesh and the importance of the high-level commitment of the Government in achieving this.
- 11.2 Minister Haque reviewed key success factors in maternal, neonatal, and child health in Bangladesh, as well as key metrics and programme strategies. He also presented prevalence rates of vaccine-

preventable disease and an overview of GAVI support since 2001. Finally, he reported on plans for new vaccine introduction and challenges for Bangladesh, such as cold chain and monitoring at the district level.

- 11.3 As part of the report, the Board viewed a short film on the national immunisation programme in Bangladesh. 11-year-old student Saleha Akhter interviewed mothers, health workers, CSO representatives, Minister Haque, and Prime Minister of Bangladesh Sheikh Hasina. Saleha Akhter commented, "I hope my film will make Bangladeshi children understand the importance of being immunised."

Discussion

- The Chair commended the Minister for the impressive achievements of Bangladesh on immunisation and noted the significant leadership from the Government. He said that GAVI is proud to be a partner of Bangladesh in these efforts.

12. Vaccine Supply and Procurement Strategy for 2011-2015

- 12.1 Ronald Brus (Industrialised Country Vaccine Industry) and Mahima Datla (Developing Country Vaccine Industry) were invited to make a statement at the beginning of the discussion. Ronald Brus emphasised support for the objective, cautioned that GAVI market forces were still important, and noted that the strategy should not discourage new innovative vaccines through this policy. He also reaffirmed the constituency view on the value of WHO prequalification and the importance of assuring quality. Mahima Datla added her view that the strategy has been fairly considered. She also noted that UNICEF Supply Division has played a crucial role in managing implementation and tradeoffs, and her constituency view that it should continue in this role.
- 12.2 Subsequently, Ronald Brus, Mahima Datla, as well as their Alternate Board Members and constituency colleagues, recused themselves, left the room, and did not participate in the voting process.
- 12.3 Aurelia Nguyen, Director of Policy, presented the proposed Vaccine Supply and Procurement Strategy for the period 2011-2015 (Doc 12). The purpose of the policy is to support the achievement of GAVI's mission to save children's lives and protect people's health by ensuring a secure and adequate supply of quality vaccines to meet demand, minimising the costs of vaccines to GAVI and countries, and fostering development of appropriate and innovative vaccines. This requires timely, transparent, and accurate market information.
- 12.4 GAVI's vaccine supply strategy addresses the short-, medium-, and long-term views of how the market should evolve for particular vaccines and the tools and mechanisms used to influence the supply environment in which GAVI operates. In addition, GAVI's vaccine procurement strategy refers to the mechanisms used to buy vaccines in order to achieve the supply and procurement objectives. Regular reports on the strategy will be provided to the PPC, and the strategy will be reviewed in 2014.

Discussion

- The Chair noted that the open and inclusive consultation process on this strategy had been thorough and well-appreciated by all, and should be used as a model where possible.
- The Board noted that market shaping is a critical pillar of GAVI's strategy and that this is an area in which the Alliance can perform at its best. Over the past few years, the Alliance has learned lessons on how to coordinate more effectively.
- The Board also highlighted that monitoring and evaluation measures are key toward ensuring that there is impact.
- The Board acknowledged the work of Susan McKinney who chaired the task team on the strategy.
- On the matter of confidentiality of negotiations, the Chair also noted that when implementing the vaccine supply and procurement strategy, the CEO and some Secretariat staff will have access to market information on vaccines. Some of this will include information that is commercially sensitive and proprietary from manufacturers, partners, and consultants. The CEO and other Secretariat staff will use this information to develop strategies, make procurement decisions, and will not always be in a position to share it with the Board. The CEO and other staff may have to sign agreements preventing them from disclosing the information to anyone. Preserving confidentiality will be important for achieving the goals

of the strategy. It is common practice in many organisations that a CEO does not provide sensitive information to the board until it is in the public domain or is no longer commercially sensitive. The Chair indicated his belief that these arrangements will assist GAVI in its goal of shaping vaccine markets.

- On the matter of conflict of interest and the Chair's request for Industry representatives to leave the room, Board members welcomed the strengthened practice and clarity around conflict of interest issues within the Alliance. Board members noted that this is a complex area for further discussion. Several Board members questioned whether it was really necessary in this case to exclude the Industry Board members from the strategic level discussion and whether this would negatively impact on the spirit of partnership within the Alliance. The Chair explained that he had undertaken early discussions on this matter with the industry Board members and that they had recognised themselves that this was a clear case of conflict of interest and agreed to the procedure followed.
- They had similarly recused themselves from the PPC discussion. The Chair indicated that while he could have exceptionally let them remain for the Board discussion, he felt that this had been handled with care and that the recusal was in the best interest of the Alliance and fully in line with the current conflict of interest rules of GAVI.

Resolution Three

The GAVI Alliance Board:

- **Approved** the Vaccine Supply and Procurement Strategy for the period 2011-2015 as attached as Annex 2 to Doc 12.

Ronald Brus (Industrialised Country Vaccine Industry) and Mahima Datla (Developing Country Vaccine Industry) were allowed an opportunity to make a statement at the beginning of discussion. Subsequently, they, as well as their Alternate Board Members and constituency colleagues, recused themselves and left the room during the remainder of discussion and voting on this resolution.

13. Performance based funding support to countries

- 13.1 Peter Hansen, Director of Monitoring and Evaluation, presented a PPC-endorsed approach to link GAVI's cash support to immunisation outcomes. In summary, GAVI's cash support will be split into two different types of payments: fixed and performance. GAVI will classify countries into three categories depending on their immunisation coverage rates to determine the proportion of fixed versus performance based payments.
- 13.2 With the exception of the new vaccine introduction grants and potentially support to civil society organisations, the PPC had recommended that all of GAVI's cash support to countries should be included in this approach. However, it is recognised that for some countries (such as fragile states, large population countries and countries with lower coverage rates), GAVI needs to retain flexibility in how its cash support is designed and applied.
- 13.3 He noted that the design includes an incentive payment for improvements in routine Measles immunisation coverage, as well as a pilot equity component for selected countries.

Discussion

- Cristian Baeza, Chair of the Task Team on Performance Based Funding, noted that the Task Team was specifically requested to identify the best design for Performance Based Funding, not to look further at the design of cash based programmes or health systems strengthening.
- Board members requested clarification on the relationship of performance based funding with cash based programmes and with national strategies. Peter Hansen explained that the recommendation is that all of GAVI's cash based support be provided through one programme; there would be no separate IRIS, Immunisation Services Support (ISS), or Health Systems Strengthening (HSS) funding windows. The Board agreed that the communication on this new approach must be clear for countries.
- The Board noted that data quality is a matter of concern – not only inaccurate data but also the possibility of manipulation of data. The Board discussed the associated reputational risk for GAVI and suggested developing criteria for assessing data quality. It was recognised that more work is needed to assess and improve country data systems and to advance innovation in coverage estimation, such as through the use of biomarkers, and that such work is included in the business plan for 2012.

- Despite these concerns, the Board agreed that it was important to move forward and to make adjustments as needed as the performance based funding is rolled out. Given the complexity of the issue, the Board agreed to create a standing mechanism to engage partners and technical experts to proactively steer and coordinate work and share lessons on health systems strengthening and other cash based support going forward.
- The Board reiterated the need for more work on fragile states and under-performing countries, and tailored approaches.
- Board members suggested the timing of payments should be carefully considered given that part of the payment will only be made following the measurement of results.
- The Board also noted the suggestion by the CSO constituency that a dual-track mechanism be introduced to ensure that there is a set-aside for CSOs, considering their key role in delivery and health systems. They welcomed a discussion on this issue as part of the paper on options for direct funding to CSOs that is expected to come to the PPC and Board in spring 2012.
- The Board requested that the Secretariat share the documents behind the Task Team that defined the recommended design.
- The Board recognised the need for a broader discussion around how to best provide support for effective health systems, both in terms of addressing key dimensions and bottlenecks, and also as ways of improving aid effectiveness. This discussion should include partners such as the Global Fund, the World Bank, and WHO. It is not necessary that GAVI lead such a discussion but GAVI should be a part of it.

Resolution Four

The GAVI Alliance Board:

- **Decided** not to proceed with IRIS as a standalone window of support;
- **Requested** the Secretariat to roll out the performance based health systems funding in accordance with the design summarised in Annex 1 of the report (Doc 13) starting in 2012 for countries to use as their existing cash support elapses;
- **Recognised** the PPC request to the Secretariat to develop a policy that clearly defines the GAVI Alliance's approach to fragile and under-performing countries; and
- **Requested** the Secretariat to:
 - Continue to engage with partners in developing the assessment tools and to encourage them when needed to provide technical support;
 - Time the standard GAVI financial management assessment so that it can be taken into account when the Board or the Executive Committee makes its initial decision on approving cash support in a country and, subsequently, to conduct any further financial management assessments in accordance with the GAVI Transparency and Accountability Policy;
 - Create a standing mechanism to engage partners and technical experts to proactively steer and coordinate work and share lessons on health systems strengthening and other cash based support going forward; and
 - Propose to the Board a plan to monitor and evaluate GAVI's cash support to countries.

14. Business plan and 2012 budget

- 14.1 Helen Evans, Deputy CEO, and Barry Greene provided a joint report on the proposed Business Plan for 2012 and the Business Plan budget. As background, Helen Evans explained that the Board approved a 5-year strategy in June 2010 and a 2-year Business Plan in November 2010 (Doc 14). The 2011 budget was approved and the 2012 budget was provisionally approved at the same level as 2011, with a request that the Secretariat present a detailed budget for approval in 2011.
- 14.2 The overall structure of the Business Plan, including the objectives and Key Performance Indicators (KPIs) remain unchanged. However, some activities and associated resource allocations have changed as a result of accelerated demand and emerging priorities. The Deputy CEO requested to the Secretariat and Partners at the commencement of the process in July to start with the assumption of a flat-line Business Plan budget in 2012 (as in 2011). However, recognising that, four priority areas were

identified during 2011 for urgent investment: strengthening the capacity to deliver; improving data quality, availability, and monitoring; shaping vaccine markets; and improving fiduciary control; and there would almost certainly be a need for some increase. She provided a detailed breakdown of proposed increases related to each of those areas in the 2012 Business Plan and the rationale for each. She also drew to Board members' attention the new online dashboard available on the website with all the business plan indicators and targets.

15. 2012 business plan budget

- 15.1 Barry Greene provided additional detail on the proposed increases to the Business Plan budget (Doc 15), related primarily to a step-change in programme activity in response to country demand. Other factors include the impact of foreign exchange rate movements, the 2012 Partners' Forum, and the one-time CEO reserve, intended to offer the new CEO some flexibility in addressing potential additional needs in 2012. While increasing in absolute terms, the rate of Business Plan budget increase is far less than the growth in programme expenditure. The Business Plan budget equated to 17% of total expenditure in 2010; for the budget proposed for 2012, the corresponding percentage declines to 10%.

Discussion

- At the start of the discussion, the CEO recognised the very tough economic climate and reluctance to put forward a budget increase now. However, he emphasised that donors have placed their trust in GAVI and there is an exceptional need to deliver. In order to do so, GAVI will need the necessary resources in the right places, which would require some changes as he described in the CEO Report. He reiterated that GAVI would operate in the most cost effective manner possible, including using secondments and temporary positions where appropriate, and would hope to achieve savings within the budget.
- The Chair indicated that he found the proposed Business Plan and budget to be fair and justified considering the current context. Donors have decided to make GAVI a priority and the Alliance must meet the additional workload and responsibility. With regards to the CEO reserve, the Chair provided his support on the basis that a new CEO needs flexibility, but suggested that the CEO reserve be spent in consultation with the Executive Committee.
- Board members were appreciative of the acknowledgement by the Secretariat that the process in 2011 for bringing the Business Plan to the Board had been sub-optimal in a very demanding year and indicated they were looking forward to a better joint planning and review process next time.
- The Board requested information about the timeframe for reporting on the 2011 Business Plan. The Deputy CEO clarified that the annual report for 2011 will be prepared in Q1 2012 and will be sent to Board members. Quarterly reports are available on the MyGAVI website. She also stated that the revised deliverables for 2012 would be shared with the Board shortly.
- The Board also requested and was provided with further information about the impact of the foreign exchange rate movements and the mitigating steps the Secretariat had taken.
- Regarding the Partners' Forum, some Board members queried the proposed cost for the event and the need for a Forum, and after consideration the Board agreed to proceed with it in 2012.
- Board members indicated support for an increase in Country Responsible Officers (CROs) in the Secretariat to strengthen GAVI's capacity to deliver.
- Geeta Rao Gupta indicated that it may be necessary to provide additional resources for UNICEF at country level depending on the outcome of the country-by-country review of needs for underperforming countries. This would be brought back to the Board in 2012.
- Flavia Bustreo reiterated her support for the Business Plan model and indicated that she sees accountability for the resources granted by GAVI as a key part of WHO's role. She, Helen Evans, and Geeta Rao Gupta meet each quarter to review progress on the Business Plan and she noted that the quarterly reviews are posted on MyGAVI for Board review. She supported the suggestion to review resource needs at country level in 2012.
- The Board expressed concern about the fact that the original business plan with clear deliverables linked to objectives and costs were not updated and made available prior the Board meeting. It was requested that the revised business plan should be shared with the full Board.

- With regards to the role of CSOs in the Business Plan, Alan Hinman explained that Catholic Relief Services is implementing an activity on behalf of the CSO Constituency under Strategic Goal 2.
- Cees Klumper confirmed to the Board that he had been monitoring the Secretariat's actions to implement the measures to strengthen oversight over cash-support programmes that the Board approved in July, and that he is satisfied that the activities and resources in the proposed budget accommodate that implementation.

Resolution Five

The GAVI Alliance Board:

- **Approved** US\$ 50.3 million for WHO to implement its part of the 2012 Business Plan;
- **Approved** US\$ 16.6 million for UNICEF for activities under the 2012 Business Plan and procurement fees;
- **Approved** US\$ 0.8 million for civil society organisations for activities under the 2012 Business Plan;
- **Approved** US\$ 90.8 million for the implementation of the remainder of the 2012 Business Plan and a constituent capital expenditure budget of US\$ 4.3 million;
- **Approved** exceptionally US\$ 2.0 million for a one time CEO reserve, it being understood that expenditures from this reserve would be made in consultation with the Executive Committee; and
- **Requested** to be informed on the revised deliverables in the Business Plan following approval of the budget for 2012.

Flavia Bustreo (WHO) recused herself from voting on the WHO portion of the business plan budget. Geeta Rao Gupta (UNICEF) recused herself from voting on the UNICEF portion of the business plan budget. Alan Hinman (Civil Society) recused himself from voting on the civil society organisations portion of the business plan budget.

16. Committee leadership structure

- 16.1 The Chair reported that the Governance Committee recommended to the Board that it approve several changes to the By-Laws that would result in a clearer committee leadership structure (Doc 16a). In sum, the Chair would lead the Executive Committee (with the ability to delegate to the Vice Chair) and the Vice Chair would lead the Governance Committee. Consequently, the Chair would lead the core decision-making bodies of the Board but not the advisory committees. It was also noted that the changes would result in both the Chair and Vice Chair receiving an assured seat on the Executive Committee.

Discussion

- It was clarified that when the Chair or the Vice Chair is a Representative Board Member, that individual will not express his/her applicable Eligible Organisation or Constituency viewpoint in deliberations and will not participate in voting. Instead, that person's Alternate Board Member will perform those functions. This arrangement, currently codified in the By-Laws, helps to ensure that the Chair and Vice Chair are always seen to be representing the interests of the entire Alliance.
- Also, it would rarely be the case that the Chair or Vice Chair would be asked to leave the room, but there are potential instances in which this might occur; for example if the Board was providing direction to the Secretariat on a commercial negotiation involving that Chair or Vice Chair's organisation or constituency.

Resolution Six

The GAVI Alliance Board:

- **Amended** the Statutes as follows:

Remove the following sentence from the first paragraph of Article 12:

The Vice Chair shall act as the Chair of the Executive Committee.

- **Amended** the By-Laws as follows:

Amend Article 2.6.3 in its entirety to read as follows:

The Chair shall preside at all meetings of the Board and shall act as Chair of and preside at meetings of the Executive Committee. Further, the Chair shall perform such other duties as may be assigned by the Board.

Amend Article 2.6.4 in its entirety to read as follows:

The Vice Chair shall preside at meetings of the Board in which the Chair is absent and shall act as Chair of and preside at meetings of the Governance Committee. Further, the Vice Chair shall perform such other duties as may be assigned by the Board.

Amend Article 3.1.1 in its entirety to read as follows:

The Executive Committee shall consist of:

- The Board Chair, who shall be a voting member of the Executive Committee subject to Article 2.6.5
- The Board Vice Chair, who shall be a voting member of the Executive Committee subject to Article 2.6.5
- Up to nine additional Board Members (or Alternate Board Members), who shall each be a voting member of the Executive Committee
- The CEO, who shall serve as an ex-officio, non-voting member of the Executive Committee.

Add Article 3.1.5:

The Board Chair shall serve as Chair of the Executive Committee. The Board Vice Chair shall serve as Vice Chair of the Executive Committee.

Should the Board Chair be absent from any meeting of the Executive Committee, the Board Vice Chair shall exceptionally serve as Chair of the Executive Committee during that meeting.

However, the Board Chair may delegate to the Board Vice Chair the authority to serve as Chair of the Executive Committee on an ongoing basis. If so delegated:

- The Board Vice Chair will serve as Chair of the Executive Committee at the pleasure of the Board Chair.
- The Board Chair will not serve on the Executive Committee and his/her seat and vote may not be transferred.
- The Board Chair may rescind the delegation at any time and retake his/her seat and vote.

- **Amended** the Governance Committee Charter as follows:

Remove the following sentence from the first paragraph of Article 2:

The Board Chair and Board Vice Chair shall each be appointed to the Committee.

Add the following sentence to the end of the first paragraph of Article 2:

The Board Vice Chair shall also serve as Governance Committee Chair and a voting member of the Governance Committee (subject to the restrictions imposed by Article 4.2 of the By-Laws).

Remove the following sentence to the beginning of the second paragraph of Article 2:

Other than the Board Chair and the Board Vice Chair, membership shall be skill-based and only Board Members/Alternates may be members of the Committee.

Add the following sentence to the beginning of the second paragraph of Article 2:

Membership shall be skill-based and only Board Members/Alternates may be members of the Committee.

17. Nominations

- 17.1 Kevin A. Klock, Head of Governance and Assistant Secretary, reported the nominations of the Governance Committee for Board and committee leadership and membership positions (Doc 16b). He referenced the processes used to identify candidates for Board positions.
- 17.2 In addition, he explained how the committee rosters had been proposed and recommended, noting that the Audit and Finance Committee membership, if approved, would need to be amended shortly in order that Board members and alternates comprised a majority of its members as per its charter.
- 17.3 Also, the Board discussed the Governance Committee's recommendation for Vice Chair of the Board. During this discussion, Geeta Rao Gupta left the room and did not take part in voting. The Chair reported that Geeta Rao Gupta's candidacy had been forwarded by several Board members and that her long experience in global health, gender issues, and civil society are assets to GAVI.

Discussion

- Concern was voiced that the committee compositions did not include many developing country government Board members, alternates, or committee delegates. For the most part, this was a result of three of the five Board seats turning over at this meeting. The Secretariat will work with this constituency to identify candidates for committees, particularly for the Audit and Finance Committee.
- It was explained that while the Executive Committee had assured representation (seats reserved for specific constituencies), the other committees expanded and contracted at the pleasure of the Board.
- It was also explained that while the By-Laws set the default Board term at three years, Eligible Organisations and Constituencies had the option of choosing a different term. For example, Eligible Organisations have generally set their terms until successors are elected and qualified (take office), while many donor constituencies set their terms at two years.
- After the Board approved Resolution Eight (Vice Chair), Geeta Rao Gupta was invited to return to the room. She communicated UNICEF's full support for her appointment as Vice Chair.

Resolution Seven

The GAVI Alliance Board (re)appointed:

- **Simon Bland** as Board Member representing donor governments Ireland, Norway, and United Kingdom (in the seat currently held by Paul Fife) effective 1 January 2012 and until 31 December 2013;
- **Suraya Dalil** as Board Member representing Developing Country Governments (in the seat currently held by Abdulkarim Yehia Rasae) effective 1 January 2012 and until 31 December 2014;
- **Christopher J. Elias** as Board Member representing the Bill & Melinda Gates Foundation (in the seat currently held by Jaime Sepulveda) effective 16 December 2011 and until his successor is elected and qualified;
- **Ashutosh Garg** as an Unaffiliated Board Member effective immediately and until 31 December 2014;
- **Gustavo Gonzalez-Canali** as Board Member representing the European Community and donor governments France, Germany, and Luxembourg effective immediately and until 31 December 2013;
- **A.F.M. Ruhul Haque** as Board Member representing Developing Country Governments (in the seat currently held by Trinh Quan Huan) effective 1 January 2012 and until 31 December 2014;
- **Christine D.J. Ondoa** as Board Member representing Developing Country Governments (in the seat formerly held by Richard Sezibera) effective 1 January 2012 and until 31 December 2014;
- **Anders Nordström** as Board Member representing the Netherlands, Sweden, and Denmark effective immediately and until 31 December 2012;

- **Angela Santoni** as Board Member representing donor governments Italy and Spain (in the seat currently held by José Luis Solano) effective 1 January 2012 and until 31 December 2013;
- **Nicholas Alipui** as Alternate Board Member to Geeta Rao Gupta representing UNICEF (in the seat currently held by Pascal Villeneuve) effective immediately and until his successor is elected and qualified;
- **Elisabeth Féret** as Alternate Board Member to Gustavo Gonzalez-Canali representing the European Community and donor governments France, Germany, and Luxembourg effective immediately and until 31 December 2013;
- **Steve Landry** as Alternate Board Member to Christopher J. Elias representing the Bill & Melinda Gates Foundation (in the seat currently held by Rajeev Venkayya) effective 16 December 2011 and until his successor is elected and qualified;
- **Siv Cathrine Moe** as Alternate Board Member to Simon Bland representing donor governments Ireland, Norway, and United Kingdom (in the seat currently held by Abigail Robinson) effective 1 January 2012 and until 31 December 2013;
- **José Luis Solano** as Alternate Board Member to Angela Santoni representing donor governments Italy and Spain (in the seat currently held by Leone Gianturco) effective 1 January 2012 and until 31 December 2013;
- **Salah Banoita Tourab** as Alternate Board Member to Suraya Dalil representing Developing Country Governments (in the seat currently held by Magid Al-Gunaid) effective 1 January 2012 and until 31 December 2014; and
- **Annie Vestjens** as Alternate Board Member to Anders Nordström representing the Netherlands, Sweden, and Denmark effective immediately and until 31 December 2012.

Candidates for these positions currently sitting on the Board recused themselves from discussion and voting on their own appointments and those for their organisations or constituencies.

Resolution Eight

The GAVI Alliance Board:

- **Appointed** Geeta Rao Gupta as Vice Chair of the Board with individual signatory authority effective immediately and until 31 December 2013.

Geeta Rao Gupta recused herself and left the room during discussion and voting on her appointment.

Resolution Nine

The GAVI Alliance Board:

- **(Re)appointed** the following members of the Executive Committee until the committees are refreshed for the 2013 year:
 - Amie Batson
 - Cristian Baeza
 - Wayne Berson
 - Ronald Brus
 - Flavia Bustreo
 - Christopher J. Elias
 - Ashutosh Garg
 - Guillermo González-González
 - Geeta Rao Gupta
 - Dagfinn Høybråten
 - George W. Wellde, Jr
 - Seth Berkley (non-voting)
- **(Re)appointed** the following members of the Audit and Finance Committee until the committees are refreshed for the 2013 year, it being understood that additional Board members shall be appointed to this Committee in due course:
 - Wayne Berson
 - Dwight Bush

- Micheline Gilbert
 - Dirk Gehl
 - Tom Hunstad
 - Anne Schuchat
 - Derek Strocher
- **(Re)appointed** the following members of the Governance Committee until the committees are refreshed for the 2013 year:
 - Nicholas Alipui
 - Dwight Bush
 - Jenny Da Rin
 - Geeta Rao Gupta
 - Alan Hinman
 - Siv Cathrine Moe
 - Olga Popova
 - José Luis Solano
 - George W. Wellde, Jr
 - Seth Berkley (non-voting)
 - **(Re)appointed** the following members of the Investment Committee until the committees are refreshed for the 2013 year:
 - Dwight Bush
 - Paul Fife
 - George W. Wellde, Jr
 - **(Re)appointed** the following members of the Programme and Policy Committee until the committees are refreshed for the 2013 year:
 - Joan Awunyo-Akaba
 - Mickey Chopra
 - Ashutosh Garg
 - Gustavo Gonzalez-Canali
 - Suresh Jadhav
 - Steve Landry
 - Susan McKinney
 - Anders Molin
 - Robert Oelrichs
 - Jean-Marie Okwo-Bele
 - Abigail Robinson
 - Anne Schuchat
 - Klaus Stohr
 - Seth Berkley (non-voting)
 - **Appointed** Alan Hinman as a member of the Evaluation Advisory Committee effective immediately and until 30 June 2013.

Candidates for these positions currently sitting on the Board recused themselves from discussion and voting on their own appointments and those for their organisations or constituencies

Resolution Ten

The GAVI Alliance Board:

- **Reappointed** the following chairs of the committees until the committees are refreshed for the 2013 year:
 - Wayne Berson as Chair of the Audit and Finance Committee
 - Gustavo Gonzalez-Canali as Chair of the Programme and Policy Committee
 - George W. Wellde, Jr as Chair of the Investment Committee.

Candidates for these positions recused themselves from discussion and voting on their appointments.

Note: Dagfinn Høybråten (Executive Committee) and Geeta Rao Gupta (Governance Committee) are statutorily appointed to chair their respective committees. Geeta Rao Gupta is also statutorily appointed as Vice Chair of the Executive Committee. Sania Nishtar (Evaluation Advisory Committee) continues to chair her committee.

18. Ethics and Conflicts of Interest Policies

- 18.1 Eelco Szabó reported the Governance Committee's recommendation that the Board approve the Ethics and Conflicts of Interest Policies (Doc 16d). The latter would replace the current Conflict of Interest Policy, approved by the Board in June 2009. He noted that the comments from the members of the Governance Committee demonstrated that there are widely diverging views on the policies.

Discussion

- Board members representing the developing and industrialised vaccine manufacturers expressed some dissatisfaction with not being able to fully participate in the earlier discussion regarding the new vaccine windows. Other Board members commented that it was not appropriate that manufacturers serve on both decision-making bodies (Board and Executive Committee) because these forums are where decisions on matters such as new vaccine windows are made. In response, the Chair reminded the Board that a current Conflict of Interest Policy is in place with clear direction on how he is to handle conflicts of a commercial nature. All agreed that at the April 2012 retreat, the Board should discuss how to manage conflicts in the Alliance.
- Many Board members felt additional consultation was needed before enacting the new policies. Therefore, the Board did not take a decision on them. The Chair encouraged Board members to provide comments to the Secretariat on the policies so that the Board may consider their approval at the next regular Board meeting. If there are significant changes proposed, the Governance Committee should review them and provide additional recommendations to the Board, if any.

19. Investment Committee report and Investment Policy

- 19.1 George W. Wellde, Jr delivered the report of the Investment Committee, noting that the Committee had met once since the Geneva Board meeting. He provided an overview of the investment portfolio, including asset allocation, returns, and contribution to mission. He also briefed the Board on the global capital markets environment.
- 19.2 Subsequently, George Wellde reported the Investment Committee's recommendation that the Board adopt a revised Investment Policy (Doc 16d), which would replace the existing Investment Policy and Cash and Short-term Investments Policy. The two principal changes are an expansion of the permitted asset classes of the long-term portfolio to include capital appreciation assets, and integration of the safeguards and limitations from the Cash and Short-term Investments Policy to simultaneously govern cash, short-term investments, and the long-term portfolio.

Discussion

- Board members commented on the safeguards incorporated into the policy. They emphasised the role of the Investment Committee in overseeing the Secretariat's day-to-day management of the portfolio. Also, they commented on some of the new investment classes, discussed how they would be managed, and requested the Investment Committee maintain a conservative approach towards short selling and any sub-investment grade purchases.
- George Wellde also reviewed the fee structure for managers of the new asset classes and compared it to the fees paid to managers of existing asset classes. He noted that fees are evaluated in the overall context of returns.

Resolution Eleven**The GAVI Alliance Board:**

- **Approved** the GAVI Alliance Investment Policy attached as Appendix A to the report on the Revised Investment Policy (Doc 16d), and revoked the GAVI Alliance Cash and Short-term Investments Policy.

20. Currency Hedging Policy

- 20.1 Barry Greene reported the Audit and Finance Committee's recommendation that the Board approve the Currency Hedging Policy (Doc 16e). GAVI receives contributions and other inflows in a variety of currencies, while its outflows – for programme and business plan expenditures – are incurred mainly in US Dollars, with minor components in Euros and Swiss Francs. As such, foreign exchange rate

fluctuations create a risk for GAVI. Though GAVI cannot totally eliminate the risk, it can be mitigated through measures outlined in the policy.

Discussion

- Dwight Bush, who represented the Audit and Finance Committee in the absence of Wayne Berson, agreed to consider retaining expert advice to support GAVI's foreign exchange risk management.

Resolution Twelve**The GAVI Alliance Board:**

- **Approved** the GAVI Alliance Currency Hedging Policy attached as Annex 1 to the report on the Currency Hedging Policy (Doc 16e).

21. External auditor appointment

- 21.1 Barry Greene reported the Audit and Finance Committee's recommendation that the Board reappoint KPMG to provide audit and tax services for financial year 2011 (Doc 16f). He noted that the Secretariat worked with KPMG to keep audit fees flat in Swiss Franc terms, though the cost expressed in US Dollars would be higher due to the depreciation of the US Dollar.

Discussion

- The Board conferred on the original reason for retaining KPMG: an intention to maintain the same auditor as the World Bank given the need to consolidate the financial positions of IFFIm and GFA. In 2008, a call for proposals was issued that ultimately resulted in KPMG's appointment. Since then, GAVI has used its single-sourcing rules to renew the appointment each year while KPMG remains the external auditor of the World Bank. However, to conform to general practice, the Board requested the Audit and Finance Committee to oversee the creation of a policy on external auditor appointment and renewal.
- It was also noted that KPMG's tax services involve only preparation of tax filings; another firm provides strategic tax services. The Board emphasised the importance of limiting the tax services provided by the external auditor to statutory tax filings.
- It was confirmed that, subsequent to the Board's appointment of KPMG, the Secretariat would work Wayne Berson, Chair of the Audit and Finance Committee, to execute the appointment letters.

Resolution Thirteen**The GAVI Alliance Board:**

- **Appointed** KPMG SA/AG as the independent auditor of the GAVI Alliance for 2011;
- **Appointed** KPMG SA/AG to provide Swiss tax services for the GAVI Alliance for 2011; and
- **Appointed** KPMG LLP to provide United States tax services for the GAVI Alliance for 2011.

22. Committee reports

- 22.1 The Chair invited each of the committee chairs to deliver reports on committee activity since the Geneva Board meeting on 7-8 July 2011, noting that the Investment Committee report had been delivered as part of the agenda item approving the new Investment Policy.

Audit and Finance Committee

- 22.2 Dwight Bush delivered the report of the Audit and Finance Committee, noting that the Committee had met four times since the Geneva Board meeting. He reported that the Committee had recommended to the Board approval of the 2010 annual financial report after KPMG had given an unqualified opinion on it. He remarked that the report now includes a significant discussion and analysis section,

supplementary donor reporting, and the IFFIm Company and GAVI Fund Affiliate standalone financial statements. He further noted that the Committee reviews unaudited financial statements during the course of the year, as well as the IRS Form 990 before submission.

- 22.3 Next, Dwight Bush confirmed that the Committee receives regular internal audit reports from Cees Klumper and that the Committee Chair receives additional updates in between Committee meetings. Dwight Bush reported a sampling of these topics including an assessment of cash programme risk management, an audit of the operations of the Secretariat Programme Delivery team, implementation of the Transparency and Accountability Policy (TAP), status updates of investigations in recipient countries, and updates on the 2012 budget for Internal Audit and TAP.
- 22.4 Finally, Dwight Bush added that the Audit and Finance Committee continues to have confidence in the quality and robustness of forecasting and financial management processes, an area where significant improvement had been seen. In the past few months, the Committee had reviewed two updates to the financial forecast, two programme funding plans, several proposals regarding procurement of Pneumococcal and Rotavirus vaccines, and the 2012 Business Plan budget.

Governance Committee

- 22.5 The Chair delivered the report of the Governance Committee, noting that the Committee had met twice since the Geneva Board meeting. In addition to Governance Committee recommendations covered in other sections of these minutes, he provided some personal comments on the role of the vaccine industry on the Board. In sum, GAVI is an alliance and industry is an essential part of that alliance. However, he noted there are issues that have to be discussed without industry present in order to maintain GAVI's credibility with the general public. He promised to continue to have this dialogue, especially appreciating the views of the Governance Committee and the vaccine industry.
- 22.6 In addition, the Chair reported that the Governance Committee is somewhat closer on nominating new unaffiliated Board members. The pace in making these appointments had clearly not been ideal but the Committee had a vision of who it wants and he believed there would be progress soon. If candidates are fully vetted during the first quarter of 2012, he will suggest calling extraordinary conference calls to nominate and appoint candidates.

Evaluation Advisory Committee

- 22.7 Sania Nishtar delivered the report of the Evaluation Advisory Committee. She highlighted the special relationship her Committee has with the Board to assist it with evaluation activities. She commented on the new Evaluation Policy, monitoring and evaluation framework, and full country evaluation activity. In addition, she noted that the Committee had reviewed the indicators for market shaping and would be providing an assessment of the CSO evaluation once it was completed.
- 22.8 Going forward, Sania Nishtar noted the need to be clear what the Board requires for its decision-making so that evaluations were assessing the appropriate issues. In addition, she agreed that data quality issues needed to be addressed and that she was hoping to convene a strategic meeting on this issue. Finally, she identified a number of areas where evaluation activities could be performed in the future depending on the Board's needs, and requested that additional Board members consider joining the Committee.
- 22.9 The Chair noted his intention to include an agenda item on evaluation activities at the next regular Board meeting.

Programme and Policy Committee

- 22.10 Gustavo Gonzalez-Canali delivered the report of the Programme and Policy Committee. He noted that the Committee had met twice since the Geneva Board meeting and had overseen the work of five discrete task teams over the course of the year. He emphasised that the PPC serves to oversee the Secretariat and partners' work, rather than serving as a substitute for them.
- 22.11 Further, he reminded the Board that Guillermo González González had tabled an alternative proposal for the co-financing programme. The PPC considered the proposal and decided not to recommend a change in policy, but consider the recommendation during the review of the Co-financing Policy in 2014.
- 22.12 Also, he reminded the Board that the PPC monitors the implementation of the Business Plan, with a particular focus to date on vaccine introduction, health systems strengthening, and the work on co-financing. The PPC also received a report from the chair of the Independent Review Committee and will be reviewing the IRC's recommendations in 2012. In addition, the PPC asked WHO to present its work

on low and underperforming countries. Finally, a number of policies presented to the Board at this meeting received PPC assessment.

Executive Committee

- 22.13 Jaime Sepulveda, Vice Chair, delivered the report of the Executive Committee, noting that the Committee had met twice since the Geneva Board meeting to look at time-critical issues requiring decisions or guidance on behalf of the Board. He reported that the Committee approved a new round of programmes in September. The Committee endorsed US \$1.5 billion in programme budgets and \$1 billion in near-term programme expenditures. In November, the Committee approved another \$19 million in budgets and \$20 million in near-term liabilities. The Committee also received a report from the IRC Chair. He noted that there are important lessons learned from this round of applications, particularly with regard to health systems funding.
- 22.14 At the invitation of the Chair, the Vice Chair made some reflections from his time on the Board. As for achievements, he observed an improvement in GAVI's governance with a good climate on the Board and strong leadership from the Board Chair and committee chairs. In addition, he praised the Secretariat leadership team of Seth Berkley and Helen Evans as well as noting the improvement in both the current financial situation and financial forecasting.
- 22.15 The Vice Chair also noted certain things that were happening that he hoped would continue to evolve well, such as a more trusting relationship between the Board and Secretariat, a better understanding of what GAVI should accomplish in the future, and better execution of strategy. Also, he noted three things he hoped to see in the future: Better integration of all the various vaccine-related efforts, improved metrics with which to measure progress, and a more integrated approach with other public health interventions that are linked to vaccines.
- 22.16 Finally, the Vice Chair expressed his best wishes to the incoming Vice Chair and expressed his appreciation to the Chair, Minister Haque, and the Secretariat Governance team. In turn, the Chair expressed his appreciation for his "Wise Chair."

The Chair concluded the meeting by noting that actions requested during the session would be recorded by the Assistant Secretary and distributed to the Executive Committee in due course to ensure completeness and, if necessary, prioritisation.

He noted that the Board's retreat was scheduled for April 2012, and that a definitive date and location would be circulated shortly.

Finally, he declared that this had been a fantastic year for global health. The London pledging conference had provided "a GAVI moment" and this Board meeting had too.

After reviewing the resolution language and determining there was no further business, the meeting was brought to a close.

Mr Kevin A. Klock
Assistant Secretary

Participants

Board Members

- Dagfinn Høybråten, Chair
- Jaime Sepulveda, Vice Chair
- Cristian Baeza
- Amie Batson
- Ronald Brus
- Dwight Bush
- Flavia Bustreo
- Mahima Datla
- Paul Fife
- Fatchou Gakaïtangou (Alternate)
- Ashutosh Garg
- Gustavo Gonzalez-Canali
- Magid Al-Gunaid (Alternate)
- Geeta Rao Gupta
- Nguyen Tran Hien (Alternate)
- Alan Hinman
- Anders Nordström
- Anne Schuchat
- José Luis Solano
- George W. Wellde Jr.
- Seth Berkley (non-voting)

Regrets

- Wayne Berson
- Agnès Binagwaho
- Guillermo González González

Alternates Observing

- Joan Awunyo-Akaba
- Jenny Da Rin
- Leone Gianturco
- Suresh Jadhav
- Jean-Marie Okwo-Bele
- Olga Popova
- Abigail Robinson
- Rajeev Venkayya*
- Annie Vestjens

Nominees Observing or Participating

- Simon Bland
- Steve Landry
- A.F.M. Ruhul Haque

Guest

- Uzziel Ndagijimana, Rwanda Ministry of Health

* Served as the eligible organisation's voting member per Section 2.6.5 of the By-Laws

Additional Attendees

WORLD HEALTH ORGANIZATION

- Lidija Kamara, Partnership and Program Manager
- Gina Tambini, Manager, Area of Family and Community Health, Pan American Health Organisation / World Health Organisation, USA

UNICEF

- Shanelle Hall, Director, UNICEF Supply Division
- Meredith Shirey, Chief of Vaccine Centre, UNICEF Supply Division
- Mickey Chopra, Chief of Health, Associate Director, Programmes

THE WORLD BANK

- Robert Oelrichs, Senior Health Specialist
- Michael Bennett, Lead Financial Officer

BILL & MELINDA GATES FOUNDATION

- Robert Lin, Deputy Director, Global Health FP&A
- Nicole Bates, Senior Programme Officer
- Violaine Mitchell, Interim Deputy Director, Global Health Vaccine Delivery

AUSTRALIA

- Natalie Cohen, Director, Health Thematic Group, AusAID
- Tim Poletti, Health Advisor, AusAID (Australian Permanent Mission, Geneva)

CANADA

- Micheline Gilbert, Senior Analyst, Canadian International Development Agency (CIDA)

CHAD (represented by its Alternate Board member)

EUROPEAN COMMISSION

- Eric Sattin, Expert, DEVCO Unit D4, Education, Health, Research, Culture

FRANCE

- Agnès Surry, Deputy Head of Official Development Assistance and Multilateral Development Institutions, Ministry of the Economy, Finance and Industry

GERMANY

- Dirk Gehl, Advisor, Health and Population Policy Division, Federal Ministry for Economic Cooperation and Development (BMZ)

IRELAND

- Diarmuid McClean, Development Specialist, Global Health, Irish Aid

ITALY *(represented by its Alternate Board member)***JAPAN**

- Shiro Konuma, Director, Global Health Policy Division, Ministry of Foreign Affairs

KOREA

- Do-yeon Won, Counselor, Embassy of the Republic of Korea, Bangladesh

NETHERLANDS *(represented by its Alternate Board member)***NORWAY**

- Tom Hunstad, Senior Advisor, Ministry of Foreign Affairs
- Lene Lothe, Senior Advisor, Norad

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- Samrita Sidhu, Economic Advisor, Global Funds Team, DFID

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- Susan McKinney, Senior Technical Advisor for Immunization, USAID

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- Adenike Grange, Past President, International Pediatric Association; Professor of Pediatrics, Provost/CEO, Otunba Tunwase National Paediatric Center, Ogun State, Nigeria
- Abdul Majeed Siddiqi, Interim Chair, CSO Steering Committee; HealthNet TPO, Afghanistan

VACCINE INDUSTRY - DEVELOPING COUNTRY

- Sonia Pagliusi Uhe, Developing Countries Vaccine Manufacturers Network

VACCINE INDUSTRY - INDUSTRIALISED COUNTRY

- Lynn Bodarky, Senior Director, Pfizer, USA
- Jacqueline Keith, Vice President, International trade and Health Affairs, Pfizer, USA
- Kathleen Vandendael-Baudrihay, Director, Government Affairs & Public Policy, International Relations, GlaxoSmithKline Biologicals, Belgium
- Joan Benson, Executive Director, International Organizations and Partnership, Merck
- Stefano Malvolti, Global Director Policy, Novartis Vaccines & Diagnostics, Switzerland
- Isabelle Deschamps, Director, Vaccination Policy, Sanofi Pasteur, France

RESEARCH AND TECHNICAL HEALTH INSTITUTES

- Alfred da Silva, Executive Director, Agence de Médecine Préventive à l'Institut Pasteur, France
- Benjamin Schreiber, COO, Agence de Médecine Préventive à l'Institut Pasteur, France

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- Didier Cherpitel, IFFIm Board Member
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- Ariadna Bardolet Urgelles, Deputy Director of International Programmes, La Caixa Foundation, Spain
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- John Wecker, Director of Vaccine Access and Delivery, PATH
- Alice Kang'ethe, Executive Vice President MCH and Director, Vaccines, Clinton Health Access Initiative
- Harkesh Singh Dabas, Director, New Initiatives, Clinton Health Access Initiatives
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- Louise Imbsen, Executive Assistant, Law and Governance
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- Cees Klumper, Director of Internal Audit
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- Alexandra Laheurte Sloyka, Administrative Assistant, Governance
- Juan Martin, Manager, Information Technology
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- Aurélia Nguyen, Director, Policy and Performance
- Jon Pearman, Director, Accelerated Vaccine Initiative (AVI), Policy and Performance
- Jason Ray, Head, Information Technology
- Corina Roberts, Executive Assistant to the DCEO
- Marie-Ange Saraka-Yao, Director, Programme Funding, External Relations
- Nina Schwalbe, Managing Director, Policy and Performance
- Bakhuti Shengelia, Director Country Reviews and Grant Renewals, Programme Delivery
- Eelco Szabó, Director of Law, Law and Governance
- Joelle Tanguy, Managing Director, External Relations
- Dan Thomas, Head of Media and Communications, External Relations
- Daniel Thornton, Chief of Staff