

Strengthening GAVI's Governance Processes and Structures in the Context of Convergence



2004 Governance Review Final report

December, 2004

Contents

¶ Background of the 2004 GAVI Governance Review	1
¶ Executive summary	3
¶ Main report	7
• Roles and composition of GAVI governance bodies	7
– GAVI Board	7
. Board roles	7
. Board composition	8
. Recommendation on Board roles and composition	9
– Executive Committee	13
. Executive Committee roles	13
. Executive committee composition	13
. Recommendation on Executive Committee role and composition	14
– Working group	18
. Working group roles	18
. Working group composition	19
. Recommendation on Working Group role and composition	19
– Prioritization and allocation of responsibilities among governing bodies	21
• Governance processes	23
– Agenda setting and meeting preparation	23
– Board meeting management and decision-making	24
– Teleconferences	27
– Alternative decision-making mechanisms	27
– Meeting reporting	28
– Performance evaluation	29
• Governance outlook for convergence and IFF	31
– Vaccine fund background	31
– Specific governance issues given convergence	31
– Specific governance issues given IFF	32

Background of the 2004 GAVI Governance Review¹

In July 2003 the GAVI Board created an Executive Committee to facilitate decision-making by the Board and improve the efficiency of the Alliance. The Board also decided that the Executive Committee's performance should be reviewed after one year of operation with regard to its agreed functions.

In June 2004, the scheduled EC performance review provided an opportunity to broaden the governance assessment and include other related issues. In particular, the aim was to review the current operations of the GAVI Board and Executive Committee and the support these bodies receive from the Secretariat and the Working Group, and to identify options for optimizing the governance structures and processes of GAVI in order to improve its capacity to implement its long-term strategy.

The GAVI Board designated a sub-committee, made up of members of the Board and other alliance collaborators, to review the governance structure and processes of the alliance.

In light of the additional challenges to GAVI's governance posed by the convergence of GAVI secretariat and the Vaccine Fund management on the one hand, and the International Finance Facility (IFF) on the other, the sub-committee proposed to the Board that the preliminary governance implications of these two topics be considered as part of the sub-committee review mandate. The final objectives of the sub-committee were then set (exhibit 1).

The sub-committee conducted its review in three phases. The first phase included a diagnostic of GAVI's governance, based on interviews, a survey, and internal discussion and analysis of the sub-committee. The second phase covered the drafting of governance options for GAVI, including potential governance elements, considering the challenges of convergence and IFF. The final phase consisted of detailing the alternatives considered and discussing further among stakeholders (exhibit 2 and 3).

¹ Please refer to the "Terms of Reference for an internal review of GAVI governance processes and structures", 2 July 2004, for more detail on the Governance Review background

This report provides a synthesis of the findings, recommendations and options that the governance sub-committee submits to the GAVI Board. The report refers to the attached supporting exhibits, which present additional details and underlying analysis.

The sub-committee would like to thank everyone who helped directly or indirectly in the development of the recommendations presented today.

* * *

Executive Summary

High performance of the GAVI alliance is directly linked to effective governance. While the sub-committee gathered a generally positive view on GAVI governance structures and mechanisms, it has identified some relevant changes to governance structure and processes that should be implemented in a short time frame.

There are two pillars of governance for which the sub-committee has developed recommendations: the roles and composition of GAVI's governance bodies, and the governance processes supporting these bodies and their decision-making processes.

Roles and Composition

The Board, Working Group, and Executive Committee are the core governance bodies of GAVI and have been the primary subject of the review of roles and composition. The recommendations included in this section all share the same goals, namely to improve decision-making capacity, while ensuring appropriate representation of the alliance partners. Indeed, these were the main concerns and expectations of interviewed and surveyed participants.

The sub-committee has developed six recommendations on Board roles and composition:

- ¶ The board must continue to focus on a limited number of issues where it should actively be engaged, while partially or totally delegating a selected set of issues and decisions. The board should be focused and strategic, and ready to delegate as long as it can keep the core decision making of the alliance. It should also strive to agree on the meaning and degree of GAVI's responsibility to monitor commitment, stimulate alignment and resolve issues among partners. Additionally, it should strengthen its advocacy and fundraising role.
- ¶ Modify the representation mechanisms provided for important donor countries. The board should consider the upcoming recommendations of OECD countries on this front, which will suggest mechanisms for consultation among OECD members that will make it possible to bring in

views from others not currently holding a Board seat. The board should also expect an eventual requirement of additional representation of IFF donor countries.

- ¶ Drop the Vaccine Fund board seat, given convergence.
- ¶ Ensure that Board seats are filled as soon as possible when they become vacant.
- ¶ Combine the representation of Research Institutes and Technical Agencies into one seat.
- ¶ Ensure true constituency representation by asking each constituency to provide periodical written reports (e.g. once a year) of their constituency to the Board.

As for the Executive Committee, there is agreement on the usefulness of such mechanism, provided that it comes with an appropriate definition of its role and a balanced representation. The sub-committee recommendations on the EC are:

- ¶ Continue with an EC, with broadly the same mandate to support Board decisions and enhance the quality of decision-making, endorsing its current authority on certain country-program decisions and work plan budget preparation and implementation.
- ¶ Add to the EC two seats for industry representatives from developed and developing countries

The subcommittee also considered alternatives related to the Working Group's role and composition.

- ¶ It recommends continuing with a Working Group reporting to the GAVI Secretariat, changing its name to Secretariat Support Group (SSG).
- ¶ For WG composition, it recommends the use of a "hybrid" model, primarily based on skill but reflecting the partner composition of the alliance, with 10 to 12 members.
- ¶ Given convergence, the VF seat should be eliminated. Additionally, one representative of a technical agency should be included in the Working Group.
- ¶ Working group recommendations should be endorsed by the Executive Secretary in light of the convergence process.

Lastly, the sub-committee evaluated the distribution of responsibility and decision-making authority among GAVI bodies, in light of historical roles and functions, as well as future challenges. It recommends to:

- ¶ Maintain the IRC mechanism as currently defined.
- ¶ Maintain and even strengthen ICCs.
- ¶ Continue the use of ad-hoc and temporary groups, when required, to handle specific topics.

Governance processes

Governance processes are a second pillar of good governance. The sub-committee has identified potential improvements in selected governance processes, which should enable better meetings and a more efficient decision-making process.

The sub-committee presents the following recommendations on Governance processes:

- ¶ Improve the agenda setting and meeting preparation through selected changes in roles and processes.
 - Limit and frame agenda points to prevent excessively broad and diverse agendas. The report includes recommendations on both the scope of agenda items, and the process of agenda definition, aiming to establish clear guidelines that allow for more manageable and participatory agendas.
 - Distribute materials with sufficient time in advance: 10 days minimum to board participants, and 15 from presenters to the secretariat for final distribution
 - Provide selected staff support to some Board members that might require this service, especially developing countries.
 - Provide an introductory “Board book” to new Board members, for quick reference and understanding of GAVI issues
- ¶ Improve Board meeting management and decision-making
 - Strengthen the role of the Board Chair and the Board secretary, and clarify the role of Board members. Guidelines for their role are provided.

- Adopt explicit rules and procedures for decision-making, such as consensus agreement, “no objection” voting, and simple voting.
- Adopt a formal process of recapitulation of decisions taken at the end of each Board and EC meetings.
- ¶ Reduce the use of Board Teleconferences
 - Limit the use of Board Teleconferences to major decisions that are time-critical, and replace them by other mechanisms such as email decisions (see below).
 - Ensuring appropriate number of meetings for the board and the EC: 3 board meetings and 6 EC meetings / teleconferences are suggested for 2005.
- ¶ Adopt an e-mail-based, “no objection” voting system for selected topics requiring Board or EC decisions
- ¶ Improve meeting reporting, still focusing on board decisions, but providing more detail on the discussions.
- ¶ Adopt a performance evaluation system for governance bodies, with the help of periodical internal / external reviews.

* * *

Main Report

The analysis and recommendations are organized in three sections. The first one, *Roles and composition of GAVI governance bodies*, evaluates and suggests options for the roles and composition of GAVI governance bodies, including recommendations around the Executive Committee. The second section, *Governance processes*, examines and recommends improvements to mechanisms and support for governance bodies and functions. The last section, *Governance outlook for convergence and IFF*, presents reflections and potential governance implications of convergence and IFF, considering the current knowledge and understanding of the two processes, which are still unfolding.

A. ROLES AND COMPOSITION OF GAVI GOVERNANCE BODIES

The definition of roles and composition is a central element of good governance at GAVI. This section presents the evaluation and recommendation of the sub-committee on governance roles and composition at GAVI, in four sub-sections: (1) GAVI Board, (2) Executive Committee, (3) Working Group, and (4) Prioritization and allocation of responsibilities among governing bodies.

(1.) GAVI Board

The GAVI Board (“the Board”) is the core governing body of the alliance and expresses the highest political commitment of partners. As such, the sub-committee has evaluated its role and considered potential opportunities to further improve its performance and composition.

Board roles

Currently, Board functions are defined around strategy, country program approval, organization and partner coordination and alignment (exhibit 4). An analysis of the issues the Board has historically dealt with during its meetings shows that these issues have occupied most of its attention. Indeed, since GAVI’s inception, the

Board has focused on five issue-areas aligned with its functions: strategy and planning, governance and organization, country programs (including approval, monitoring and other related issues), funding and fundraising, and broader policy issues (exhibits 5 and 6).

The interviews, survey, as well as sub-committee discussions, suggest that on aggregate the Board performance along these key functions is fair-to-good. Areas such as strategic planning and overall expertise get high marks. Other areas such as joint planning among GAVI partners, effectiveness in fundraising and advocacy support, and monitoring of Board's own performance and of partner's commitment, receive lower ratings (exhibit 7).

Recent strategy discussions within GAVI have pointed out that the functions of GAVI respond to a dual role of the alliance, related to *Vaccine Fund Direction* (Providing guidance to the Vaccine Fund on the use of its resources), and to *Working Together for Greater Impact* (Working together as an Alliance towards common immunization goals in order to bring greater synergy and harmonization to the efforts of all partners).

The complexity of the topics covered by the board as part of its functions, and the inherent time and decision-making capacity constraints of the Board² explain the adoption of a number of mechanisms to improve decision making quality and speed. From the beginning, the Board counted on support and delegation to other instances in key areas, notably to the secretariat and the IRC. The Board also increased meetings and teleconferences over time, and more recently, has delegated pre-work and decision preparation to the Executive Committee, created in mid-2003.

Board composition

The Board composition combines representation of key partners involved in the alliance with expertise and experience that can support its decision-making. Today, there are 19 seats on the Board, comprising 7 permanent and 9 rotating members, which represent the different partner organizations of the alliance³.

The composition of the Board has evolved in past years in response to specific concerns about representation (exhibit 8 and 9). As an alliance in evolution, there are still opportunities to improve and solidify the constitution of the Board of GAVI and its capacity for decision-making and direction. In particular, the analysis conducted suggests that the Board can still improve the representation of some

² Given the difficulty of more frequent face-to-face Board meetings

³ The world bank, UNICEF and WHO are permanent members and have two Board seats each. The Board chair rotates between UNICEF and WHO.

stakeholders, both in Board membership as well as in the participation of partners in sub-committees and other groups.

Recommendation on Board roles and composition

The sub-committee believes that, going forward, the Board can further improve its performance and governing capacity. While all the alternatives and recommendations included in this report ultimately aim at this goal, this section provides specific suggestions concerning Board role and composition. They relate to Board focus, delegation of authority, improved representation of donor countries, elimination of the Vaccine Fund seat given convergence, ensuring a timely filling of vacant Board seats, modifying some Board representation seats, and enhancing true constituency representation.

The first two opportunities refer to the Board's functions. The Board must continue to be the ultimate authority and main decision-maker of the alliance, and guarantee its own focus on strategic and policy issues, while ensuring adequate speed and capacity to support policy and program choices. The sub-committee believes that delegation is necessary and should be expected at GAVI, as long as the Board retains the core strategic and policy decisions. It asks the Board to consider clarifying and formalizing the delegation of certain decisions to other GAVI mechanisms.

- ¶ **The Board should continue to focus on a limited number of issues on which it should be actively engaged** (exhibit 10). These are: (i) strategic vision and direction, (ii) objectives and milestones, (iii) country program approval and fund requests, (iv) work plan and secretariat budget approval and control, (v) Executive Secretary nomination and evaluation, (vi) monitoring commitment, stimulating alignment and resolving issues among partners, and (vi) contributions to advocacy and fundraising.
- Given differences of opinion, **the Board should strive to agree on the meaning and degree of GAVI's responsibility (vi) (to “monitor commitment, stimulate alignment and resolve issues among partners”)**.
 - Indeed, the sub-committee has found diverging views on the understanding of the scope of this responsibility. While some argue for more accountability of partners' commitments vis-à-vis GAVI, others view the nature of the alliance as one in which the partners cannot be held accountable to GAVI, as they are independent organizations with their own monitoring mechanisms.

- The sub-committee recognizes that the GAVI board has no legal oversight over individual partners, and that while GAVI is an Alliance with a common goal, its Partners are contributing members with individual missions that stretch beyond the scope of GAVI.
- However, the sub-committee also believes that it is appropriate for the Board to take stock on a regular basis of the progress made in implementing the work plan. With this aim in mind, the board should develop a new strategic framework to specify the roles and responsibilities of the different partners and the exact scope of the GAVI work plan. For example, it is clear that partners will continue to lead many activities directly related to immunization, which are not part of the GAVI work plan. However, it recommends that each member proactively defines from these activities what should be included in the GAVI work plan.
- The work plan development should continue to be Secretariat/EC driven, but needs to include a review by parties committing to activities, to clarify the expected contribution of different stakeholders⁴. A more comprehensive work plan should capture both “added value” partner activities against the objectives of GAVI, and other partners' contributions directly fulfilling GAVI's goals. Concretely, it should reflect 1) The Secretariat's activities in support of the Board and governance of the Alliance, 2) Activities needed to ensure adequate administration and oversight of VF funded programs through the converged GAVI/VF management entity and UNICEF, which manage the Trust Account, 3) Additional value added activities of the Alliance, 4) Activities that help Alliance partners work in concert for optimal impact on immunization issues that are relevant to the Alliance's goal, 5) a resource mobilization plan⁵.
- The Board should use the work plan to more actively follow-up the commitment of partners in relation to their specific activities. This would also allow the board to increase its focus on the harmonization of partners' activities in support of the alliance's broader objectives, including the Alliance's contribution to the

⁴ Broadly outlined in the strategic framework discussed above

⁵ It is suggested that this plan be optimally designed to (i) raise new money, (ii) avoid competition with partners' own resource mobilization strategies, and (iii) secure funding for all components of the broader alliance work plan, in a way that minimizes transaction costs

implementation of the Global Immunization and Vision Strategy currently being developed.

- **The Board should also enhance its advocacy and fundraising role.**

- The feedback received suggests that there are relevant opportunities on these two fronts, which so far have been either delegated to the Vaccine Fund, or largely taken for granted, given the sense of a good perception of GAVI in the wider community (exhibit 11). The Board should develop a perspective on the best approach to act along those two key dimensions, resolving existing tensions with an approach consistent with the diverse interests of partners outside the alliance, as mentioned above. It should also ask for specific support from the Executive Secretary in fulfilling these two functions.

¶ **The Board should continue to partially or totally delegate a selected set of issues and decisions** (exhibit 12). The Board should continue to delegate program evaluation to the IRC. Additionally, it should consider the delegation of: (i) Certain aspects of Vaccine Fund supported country programs, such as requesting financial support renewal given some pre-determined limits, (ii) Secretariat staffing and hiring approval, within approved budgets, (iv) Day-to-day management of the alliance, including operational decisions.

With respect to composition, the sub-committee proposes to the Board five additional modifications that could improve representation and performance:

¶ **Modify the representation mechanisms provided for important donor countries**

- With the exception of the Gates foundation, the Board has historically never had seats for donor representatives. OECD seats play this role in part, but they are also conceived for individual developed countries, even if they have not made significant donations to the alliance. GAVI can face a situation, as it does today, where major donor countries (e.g. US, UK, Norway) have no seat.
- The sub-committee is aware that OECD countries are currently developing recommendations regarding their representation. It suggests that the board considers these recommendations to improve their representation
- Additionally, the IFFIm mechanisms might bring about expectations from some of the donor countries to have a seat in the GAVI board.

The sub-committee foresees that this could require one additional board seat for OECD countries (total of 4), out of which 1 or 2 could be for IFFIm countries. Another option could be to allocate seats by taking into account the size of contribution of donor countries. With any eventual increase in OECD representation, the board should consider increasing developing country representation, to maintain parity.

¶ **Drop the Vaccine Fund seat, given convergence**

- In light of the unification of the GAVI and Vaccine Fund Secretariats, and the role of the new GAVI executive secretary as head of the converged entity, a Vaccine Fund seat in the GAVI Board will no longer be needed. The executive secretary will act as the liaison between the two Boards.

¶ **Ensure that vacant Board seats are filled on time**

- The NGO Board seat has been vacant for a few months. The Board needs to elect a Board member representing the NGO constituency as soon as possible.
- More generally, the GAVI Board, with help from the executive secretary, should ensure the timely start and completion of the process for appointing new members when seats are to become vacant.

¶ **Combine the Research Institute and Technical Agency seats**

- In order to better use the input of the research institutes and technical agencies, the sub-committee recommends that their two seats be combined in a joint seat that can represent the two groups as a constituency, focusing mainly on research topics.
- Such combination is deemed feasible, and would also allow for a reduction in the number of board seats.
- However, there should be one additional seat in the Working Group representing technical agencies, to more directly receive their contribution on technical matters.

¶ **Ensure that each board member proactively represents its whole constituency.**

- The subcommittee recommends that representatives of large constituencies provide the board with a written report on the state of

their constituency on a regular basis (once every 12 to 18 months) to ensure proper communication and consultation.

(2.) Executive Committee

The Board created the GAVI Executive Committee (“EC”) to support its operations and increase the quality and speed of decision-making of the alliance. After its first year of operation, the sub-committee has reviewed the performance and composition of the EC, and weighted potential improvement opportunities.

Executive Committee roles

The specific goals for the EC considered in June 2003 were to smooth the ongoing planning, managing and monitoring of GAVI’s activities; facilitate a closer supervision and implementation of GAVI’s activities; remove day-to-day management responsibilities from the Board; and inform and facilitate decision-making by the Board. The Board defined EC functions on the basis of these objectives (exhibit 13).

The analysis of the operation of the EC suggests that a small, supporting body to the Board is useful, and that the scope of functions performed by the EC is necessary for the Board and the working of the alliance. In addition, the EC has played an important role in conflict resolution across alliance partners.

However, the analysis also suggests that there needs to be further clarification of the specific areas where the EC should focus, and of its decision-making authority (exhibit 14). Interviews and the governance survey raised some concerns about the EC’s current scope of operation. There are also feelings that the Board might be adopting a “rubberstamping role” in topics that have been pre-discussed by the EC.

Secondly, there are concerns about the lack of clarity of functions and decision-making authority of the EC itself. Some see the functions as too broad, leaving space for decision-making that was not originally intended for the EC: for example, an analysis of EC meeting topics shows that some GAVI governance and fundraising issues, originally not part of the EC mandate, have been agenda points at EC meetings (exhibit 15).

Executive committee composition

With respect to its composition, the EC was conceived as a small sub-group of the Board. Currently, it is comprised of all the permanent Board members, as well as two rotating members from developed and developing countries (exhibit 16).

Interviews and sub-committee discussions have also identified some widely shared views about EC representation: in particular, there are serious concerns about the absence of key stakeholders, such as the vaccine industry, in the EC. This absence has created a certain imbalance among constituencies, generating “two tiers” of participants with different access to discussion and information on GAVI policy issues, and thus of capacity for contribution and participation.

Recommendation on executive committee role and composition

The sub-committee suggests to the Board to **overall continue with an EC or a similar structure, with broadly the same mandate to support Board operations and increase decision-making quality.**

The sub-committee has considered three alternatives to improve the functions currently performed by the EC, as well as its composition: (i) the continuation of the current EC mechanism with a clarification of its functions; (ii) the enlargement of the Executive Committee along with further delegation of authority; or (iii) the replacement of the EC by two Board sub-committees with more focused mandates.

The sub-committee asks the Board to adopt the second alternative, EC enlargement and further authority delegation, as it this option will better fulfill its objectives.

Below are the alternatives considered by the sub-committee:

- ¶ **The first alternative is to continue the operation of a single EC, keeping the current composition; but providing it with a more detailed mandate** (exhibit 17).
 - EC composition would remain unchanged except for the Vaccine Fund seat⁶: permanent members (UNICEF, WHO and WB), developing country and OECD country seats.
 - As regards its functions, GAVI would need to define clearer boundaries for EC actions, to differentiate them from those of the Board or other bodies. The suggested functions of the EC would be the following: (i) Support the Board in setting strategic vision and direction through its own discussions and the generation of recommendations to the Board; (ii) Guide and oversee the strategic planning process through the definition of objectives and milestones and the development of the GAVI work plan together with the GAVI secretariat; (iii) Support the

⁶ Which would be dropped due to the Convergence process

board in alliance coordination and conflict resolution, (iv) Monitor and report to the Board on key ongoing strategic and operational issues in the Alliance and on the progress and outcomes of the alliance work plan; (v) Review and act on recommendations of the IRC on country proposals, and request payments to the Vaccine Fund between full Board meetings (vi) Execute other tasks related to the functions listed above delegated to it by the full Board.

- The EC would be asked to limit its discussions and actions to points strictly related to the above functions.

¶ **The second alternative, recommended to the board, is to continue with an Executive Committee but modifying both its composition to make it more representative and the definition of its functions to entrust it with some more authority (exhibit 18).**

- Under this alternative, EC composition would be changed to allow broader representation of Board constituencies at the EC level. Changes in composition to be considered are:
 - Retention of seats for permanent Board members, and developed/developing country seats. In the two cases, the member attending the EC would solely be the direct deputy of the permanent board member, without any further delegation allowed. This pragmatic solution would ensure that the EC can meet more often. The EC should however, proactively invite the principal when important topics/conflicts are addressed.
 - Addition of two industry seats to the EC, one for developed country industry, and another one for the developing country industry. The addition of these seats would increase the participation at the EC level. It would also bring crucial input on existing and new products, which is required for an adequate an informed planning and alliance coordination, where the EC plays a key role.
 - Under this alternative, the partner group chairing the board (the WHO today) would hold the EC chair.
- It is necessary that the EC define a mechanism to deal with potential conflict of interests that can arise for Industry representatives or any other committee members.

- The EC would keep the functions suggested for the previous alternative discussed. Additionally, it would be entrusted with the following responsibilities:
 - Preparation and implementation of work plan budget⁷, and
 - Partial, discretionary delegation of country program approval and fund requests; playing a broader role than today in the program approval and request for fund disbursement. The Board should define the conditions and scope for this additional delegation.
- For the two alternatives above, there should be a definition of the limits of action of the EC. The EC agenda should be consulted with the Board chair and shared with all Board members ten days before the EC meetings. Additionally, agenda points topics should fall within the areas of responsibility of the EC, unless the EC is explicitly asked by the Board to cover other topics. Lastly, detailed meeting and decision minutes should be shared with the Board shortly after EC meetings.
- The sub-committee also recommends that the EC meet more often than it does today, at least 6 times a year, through face-to-face or video / conferences.

¶ **The third alternative is to replace the EC by two permanent standing sub-committees, with specific mandates around core issue-areas (exhibit 19).**

- Used widely across public and private organizations to support Board activities, sub-committees typically perform specific functions around one area of activity limited by their mandate.
- The Board of GAVI considered the adoption of standing sub-committees in 2002, but decided instead to continue with ad-hoc groups. The Board seemed to be concerned about the resulting multiplication of governance bodies.
- However, the Board has needed support bodies such as the EC to carry on preparatory work and support functions. The need for such support is likely to continue and probably increase in the near future. The creation of standing sub-committees would provide these support mechanisms with an appropriate composition, mandate and scope of

⁷ It is important to note that the board will continue to approve the workplan and the corresponding budget.

action. Standing sub-committees would also offer the benefits of limiting a set of specific issues for each group; providing more room for representation, and enabling more execution and decision-making capacity.

- GAVI could consider two standing sub-committees which would replace the Executive committee in its support for Board functions:
 - *Country program sub-committee.* This standing sub-committee would be given the responsibility for issues related to country programs, currently dealt with by the EC, i.e. “Review and act on recommendations of the IRC on country proposals”. In practice, it would be responsible for reviewing IRC recommendations, preparing Board approvals, and approving funds between full Board meetings. The sub-committee would be composed of 5-7 Board members, chosen from the following group: UNICEF, World Bank, WHO, Developing country, OECD country, Developed country industry, Developing country industry, Technical and Research institute, NGO. Their tenure should be at least 2 years.
 - *Operations sub-committee.* This standing sub-committee would be responsible for issues related to GAVI operations, currently dealt with by the EC, i.e. “Support the board in setting strategic vision and direction through its own discussions and the generation of recommendations to the board; Guide and oversee the strategic planning process through the definition of objectives and milestones and the development of the GAVI work plan together with the GAVI secretariat; Monitor and report to the board on key ongoing strategic and operational issues in the Alliance and on the progress and outcomes of the alliance work plan; Support the board in alliance coordination and conflict resolution”. In practice, it would be responsible for the strategic planning and monitoring of GAVI work plan, governance and monitoring issues, and other operational issues. The sub-committee would be composed of 5-7 Board members from the 10 considered for the country program sub-committee. Their tenure should be at least 2 years.
- While attractive for some sub-committee members, this alternative would likely require additional coordination and result in higher servicing costs for current EC members and the secretariat.

(3.) Working Group

The Working Group (“WG”) has been an important contributor of issue awareness, technical expertise, and coordination and communication among partners in the GAVI alliance.

Working Group roles

The central WG functions, as currently defined, are communication and bridge-building between the Board and partners, the monitoring and identification of issues to be raised to the Board, and the preparation of background documentation on selected topics (exhibit 20). These roles are by definition directly related to the current roles of the GAVI secretariat (exhibit 21), chiefly: managing the review of country proposals, servicing the Board, preparation and dissemination of GAVI policies and procedures, coordinates and monitors the progress of activities including progress towards the Alliance milestones.

In recent years, the role and responsibilities of the WG have evolved. Since 2002, the WG reports officially to the GAVI secretariat, and the Executive Secretary chairs the committee. Since 2003, some of the responsibilities for issue identification and consultation have de facto migrated to the EC.

A clarification of the functions and responsibilities of the WG can prevent the erosion of its significance and profile, and reenergize the generation of new ideas and the identification of issues and concerns in the alliance. This forum can also better serve the purpose of expanded participation and communication channels with partners, stakeholders and participants in the wider immunization community and aid recipients.

Today, the current definition of responsibilities of the WG is broad and does not take into consideration the current role of other bodies such as the EC.

Additionally, the definition functions presented above suggest a direct relationship to the Board (in the identification of issues, preparation of background documents, etc.), but the WG reports to the Secretariat and is supposed to be its technical arm. For some, the Working Group has become a “black box”, with too wide an array of topics discussed and no clear mandate within the overall governance structure. An analysis of the topics recently discussed in the Working Group indeed suggests a wide variety of issues, ranging from detailed technical issues, to broader reflection around the goals and strategy of the alliance (exhibit 22).

Working group composition

The WG consists of 11 seats, which represent permanent Board seats, developing and developed countries, and contributes in its own right with technical skills and experience in immunization and immunization-related areas. (Exhibit 23).

In 2002, the Board decided that the composition of the WG should focus on skill rather than representation⁸, but left the mechanisms for WG composition unchanged. However, today the WG still plays a very important role as a body of partner representation. In effect, many perceive the WG today as a forum for “extended” or “subsidiary” representation, allowing non-Board members to be updated and be active participants in the alliance.

Recommendation on Working Group role and composition

The sub-committee recommends that the WG continues to exist, reporting to the GAVI Secretariat. It also suggests that the name of the Working Group be changed to Secretariat Support Group (SSG), to better reflect its function and mission⁹.

The sub-committee considered three alternatives to improve the WG’s activity (exhibit 24). **It recommends to the board to adopt the first alternative, to continue with the current hybrid model based on skills, while ensuring appropriate participation from GAVI partners. The WG should have around 10 to 12 members**

Below are the alternatives considered:

- ¶ **(i) Continue with the current hybrid model based primarily on skill, with representation reflecting the composition of the Board; adding one member from technical agencies, and dropping the Vaccine Fund seat.**
- ¶ **(ii) Bolster the working group as a technical arm of the secretariat, defining its composition purely on the base of technical skill and relevant knowledge and capacity to contribute to GAVI.**

⁸ “...Recognizing the importance of continuity and links to key implementing agencies, the Working Group should be kept small with a focus on necessary skills, as opposed to being strictly representational...” Eighth GAVI Board Meeting, Paris, 19–20 June 2002

⁹ The report continues to refer to the Working Group as WG.

- Under this second alternative, the GAVI Board would uphold its decision of 2002, and move the WG to a scheme of skill-based participation.
- With this logic, pre-allocation of seats to Partners would be dropped, and the GAVI Executive Secretary would designate WG members based on skill, following a request for approval by the Board. Tenure for WG participants would remain unchanged.

¶ **(iii) Make representation the chief criteria for WG composition.**

- Many participants consulted value the representation and participation given to partners and GAVI collaborators in the WG.
- The third alternative proposed would make the WG primarily representative, enforcing today's allocation of seats (Representatives from Board renewable seats with 1 seat each, OECD country, Developing country, R&D Institution, NGO, and Industry). In addition, two seats would be added: one for an additional developing country, and another one for a developing country industry representative.
- Technical skill and knowledge would continue to play a key role in the definition of WG composition, and the Executive Secretary would continue to nominate people within each represented group, but subject to the representation scheme agreed.

¶ **In the three alternatives, the sub-committee suggests to review the Working Group functions, and to allow for further modifications if required as part of the convergence process.**

- According to an analysis of WG meeting topics (refer back to exhibit 22), the WG has been concerned with issues related to (i) GAVI strategy (including strategy updates), (ii) GAVI work plan, (iii) Issue identification for EC and Board agendas, (iv) Organization and governance at GAVI, (v) Technical matters, (vi) Country program, and (vii) Internal working group planning.
- Out of the seven areas of WG concern, the WG should focus most of its attention to (ii) GAVI work plan, (iii) Issue identification for EC and Board agendas, (v) Technical matters, and (vi) Country programs. While the working group should indeed be updated on strategy and governance at GAVI, those areas should not be a priority in the agenda and should be dealt with at the board and EC level

- Accordingly, the current WG functions should be slightly modified and updated (exhibit 25).
- The convergence process in progress might generate additional requirements for the WG functions as a supporting mechanism for the Secretariat. The functions of the WG should be amended appropriately with the results of the convergence process, to support the Secretariat in the fulfillment of its responsibilities.
- The minutes of WG meetings should reflect the decisions and provide background on the discussions of the group, and should be shared with the EC.

(4.) Prioritization and allocation of responsibilities among governing bodies

In addition to the Board, EC and WG, core governance bodies of GAVI, the alliance has other temporary and permanent mechanisms to support its mission (exhibit 26). While a specific review of their role is not within the scope of this governance review, the sub-committee has broadly reflected on the role of other bodies of the alliance, and believes that a clearer allocation of issues and responsibilities to different members of the alliance is required to ensure appropriate focus.

The sub-committee asks the Board:

- ¶ **To clarify the distribution of responsibility and decision-making authority among GAVI bodies, in light of historical roles and functions, as well as future challenges.** Both the overall strategy of GAVI, as well as the functions of other temporary and permanent mechanisms, should be congruent with the recommendations provided for the Board, EC and Working Group. The board should make sure that this alignment exists, to avoid any responsibility overlap and double-work across the different bodies. It should also let the alliance focus on current and future challenges, allocating to them the appropriate amount of resources and attention.
- ¶ **To adopt practices aimed at eliminating a “two-tiered” partner system.** The recommendations concerning the processes supporting governance (such as adequate and complete briefings on current issues at GAVI, better decision-making during Board meetings, etc.) discussed in

the next section, should make a difference. Additionally, the Board should make sure that ad-hoc committees and other special groups allow for the representation of all Board members, through rotation, consultation and communication, etc. There have been some concerns about the fact that permanent Board members are normally the core of temporary sub-groups, and other members do not get the same access.

- ¶ **To maintain the IRC mechanism as currently defined.** There is wide agreement on the positive role that the IRC mechanism has played in the development of recommendations on country programs (exhibit 27)
- ¶ **To maintain and even strengthen the ICCs,** and continue the efforts to upgrade their capacity (suggested areas for potential improvement include quality assurance of country proposals, development of national immunization plans and FSPs, monitoring and evaluation).
- ¶ **To continue the use of ad-hoc and temporary groups,** as they enable flexibility and participation around priority issues in the alliance as required. However, ad-hoc groups' mandates should not overlap with those of standing bodies such as the EC or the working group.

* * *

- ¶ The sub-committee has not addressed some issues related to the governance roles discussion, but would like to raise them for future reflections. Among them are the country programming experience of some IRC members¹⁰; and the role of the regional working groups, including their potential role in the development of country proposals.

¹⁰ Some sub-committee members proposed that IRC members be short-listed and interviewed by the Executive Secretary, his deputies and a sub-set of the WG. Authority to approve new IRC members could be delegated to the EC.

(B.) GOVERNANCE PROCESSES

Efficient governance processes, such as meeting management and decision-making rules and procedures, are the second pillar of effective governance. The sub-committee has found significant improvement opportunities in the governance processes at GAVI. This section presents recommendation in this front, organized in six sub-sections that refer to specific process topics: (1) Agenda-setting and meeting preparation, (2) Board meeting management and decision-making, (3) Teleconferences, (4) Alternative decision-making mechanisms, (5) Meeting reporting, and (6) Performance evaluation.

(1.) Agenda setting and meeting preparation

The sub-committee believes that there can be important process enhancements in the preparation of Board and other meetings, like those of the EC and WG. Feedback collected has pointed to lingering discomfort over issues such as the lack of clarity on the agenda-setting process, untimely distribution of materials, and even unexpected changes in dates for Board meetings (exhibit 28). The following four proposals are suggested to the Board (exhibit 29 and 30):

¶ Limit and frame agenda points to prevent excessively broad and diverse agendas.

- While a critical point in improving the efficiency of Board meetings, achieving significant improvements in agenda-setting will be challenging, given the broad responsibilities of the Board and the low frequency of its meetings. However, the sub-committee believes that recommendations in this report related to roles and functions should facilitate the focus of the Board on a narrow set of issues, thus reducing the quantity and improving the quality of agenda points
- Specifically, GAVI could adopt the following improvement points for agenda definition:
 - Limiting agenda points to those primarily concerning the Board, according to its functions and the work plan;
 - Defining the agenda in consultation with partners, EC and WG in a systematic manner and with clear deadlines;
 - Distributing a time-annotated agenda.

- Asking the Executive Secretary to work with the Board chair to ensure an organized and transparent process for agenda definition.

- ¶ **Distribute materials with sufficient time in advance.** There has been a general confirmation that 10 days is the minimum necessary for Board members to prepare for Board meetings. Apart from confirming this deadline for material distribution, it is necessary that the partners or collaborators submit the materials to be distributed to the secretariat before that date, at least 15 days before the Board meeting. Predictability in material distribution will allow Board members to set aside the appropriate time to prepare for the meeting.
- ¶ **Provide selected staff support.** Interviews and surveys conducted show that some members of the Board (especially developing country representatives) could improve their participation and activity with the help of individual support staff. They could support Board members with briefings on current GAVI issues, preparation of meetings, and coordination of constituencies.
 - One alternative to be considered is that members needing this support rely on a staff person located in Geneva or another European city (i.e. health representatives at consulates and embassies), with more proximity to other GAVI participants and meeting points.
 - Another alternative is for GAVI to provide funding, so that Board members needing help can hire staff locally.
- ¶ **Provide an introductory “Board book” to new Board members, for quick reference and understanding of GAVI issues** (exhibit 31)

(2.) Board meeting management and decision-making

There are also significant opportunities to improve meeting proceedings and decision-making processes (exhibit 32). The subcommittee submits to the Board the following recommendations:

- ¶ **Strengthen the role of the Board Chair and the Board secretary, and clarify the role of Board members**
 - Board Chair
 - The chairman of the Board of GAVI, which so far has rotated between UNICEF and the WHO, plays a key role in consultation

among GAVI Partners, the management of Board meetings and decision-making, and the overall monitoring of GAVI activities.

- For the future the performance of the Board chair can be strengthened to improve decision-making and overall Board performance. Some of the key tasks of the chair are to stimulate debate by drawing out the contributions of all members, guide discussions while making sure genuine disagreements are aired and resolved, and ensure decisions reached are properly understood and recorded (exhibit 33)
- Board Secretary
 - The sub-committee recommends formalizing and amplifying the supporting role of the GAVI Executive Secretary to the Board Chair, to improve agenda preparation, advice on running meetings, and proactively improving Board decision-making mechanisms.
 - The Executive Secretary needs to enhance his role as the “secretary of the Board,” and work closely with the chair on issues such as meeting preparation, tracking observations of participants, acting as moderator to manage intervention times, keeping the focus on agenda decisions, clarifying decisions being taken, and all other meeting management activities. (exhibit 34)
- Board members
 - Adequate preparation, participation and etiquette during Board meetings, are the basic expectations of Board members. Among suggestions for participants are to provide expertise and knowledge for the making of decisions, to use meeting time appropriately, and to commit to collective decisions, once agreed. (exhibit 35)

¶ **Adopt explicit rules and procedures for decision-making**

- *Consensus agreements.* An ideal decision making for the alliance, as they ensure support and commitment from partners; they should continue to be used in most instances. However, the Board should strive to make consensus clearer. While participants should voice their opinions and disagreements during the discussion of agenda points, at the decision point the chair should ensure that the consensus appears transparent before closing a discussion.

- *“No objection” voting.* In the absence of consensus, or when the chair feels it is required, the Board can adopt a “no objection” voting systems. In such system, decisions are “voted” by silent agreement, unless a minimum number of participants (1/3 of the total votes) raised an objection to approval of the decision.
- *Simple majority voting.* This traditional voting system, although it is direct and transparent, has a number of drawbacks identified by the sub-committee. On the one hand, it does not ensure wide support unless a high threshold is defined (2/3 of votes as a minimum). Secondly, it may spur division within the Board, as differences of opinion are more often demonstrated. In comparison with the other decision-making rules suggested, simple voting should only be used as a last resort.
- The sub-committee suggests to adopt, in order of preference, a consensus decision, a no-objection voting, and lastly a simple majority voting. Only participating board members have the right for a vote, and actual participants will be the quorum to determine voting percentages.

¶ **Adopt a formal process of recapitulation at the end of each meeting.**

- The secretary of the Board should take notes of the discussion during each meeting point, and draft for reference a concise summary of the discussion and the decision reached.
- At the end of each agenda point, a short summary of the discussion and of the decision reached will be provided, in order to gather clarification and recheck consensus among participants¹¹
- At the end of the meeting, the chair and/or the Board secretary should provide a general summary of the different discussions, and the decisions taken in the different agenda points.
- This recap exercise at the end of meetings should be established as a specific point in the agenda with some time allocated to it (one hour). It will in turn enable a more transparent meeting report.

¹¹ Typically, the Board chair will communicate this summary. The secretary should check that the summary is accurate and the main points have been presented

(3.) Teleconferences

Teleconferences have been widely used both by the Board and, more recently, by the EC. While in principle teleconferences were used by the Board as a mechanism to enable fund allocation decisions in between full Board meetings, they later evolved, began covering a wider range of topics, and became “mini-Boards”.

There is general agreement that Board teleconferences are inadequate for substantive Board discussions and decision-making. In addition to difficulties with the quality of communications, the dynamics of telephone communication are not best suited to promote full discussion and agreement on the topics addressed by the Board.

The subcommittee suggests the following options for Board consideration:

- ¶ **Reduce the use of Board Teleconference, limiting their use to major decisions that are time-critical.** The Board should rather count on full Board meetings, and the support of EC/sub-committees, for the discussion of issues and the additional decision-making required.
- ¶ **Replacement of Board teleconferences by other procedures to gather consensus and opinions** and take decisions on particular topics that could lend themselves to such procedures.
 - Specifically, the sub-committee suggests that decisions be delegated to other instances, included in Board agendas, or that they be taken through alternative means, as discussed below.
 - The sub-committee also suggests that in the next year there be 3 Board meetings and 6 EC meetings (e.g. 3 physical and 3 videoconferences), which spaced out during the year would minimize the need for teleconferences.
- ¶ **EC teleconferences should be continued, with limited use and careful monitoring of their use and effectiveness.**

(4.) Alternative decision-making mechanisms

GAVI can adopt new mechanisms to improve and accelerate certain decision-making processes. The sub-committee suggests to the Board:

- ¶ **To adopt an e-mail-based, “no objection” voting system for selected topics requiring Board or EC decisions** (exhibit 36)

- For selected topics, the Board and EC can establish an e-mail-based decision-making mechanism.
- In such a system, the background information and the decision to be taken are distributed by e-mail or put on the GAVI website with restricted access to Board/EC members. The secretariat should ensure email / web security and confidentiality, as well as arrival of content to the recipients. Other distribution means (such as FAX) can replace emails if required by specific board members (especially developing countries).
- A deadline is set to raise objections to the approval of the decision. Only with a specific number of objections would the issue be reworked or reconsidered.
- The Executive Secretary should suggest to the chair the topics on which decisions can be taken by e-mail. The range of topics to be considered is defined by their secondary priority, low to medium complexity, and expected agreement among Board/EC members. When the system is adopted, it should have a trial period, and be refined with feedback from other organizations which currently use it¹².

(5.) Meeting reporting

The sub-committee has also identified a general sense that the reporting of Board and other meetings (such as EC and WG), can be improved (exhibit 36). In effect, while some have witnessed progress in the way decisions are reported, there is still a feeling that the minutes and other meeting reports are too focused on decisions rather than discussions, and that the comments and suggestions provided by participants are often disregarded. Also, there have been complaints about the lack of reporting of some instances, in particular results from the Executive Committee meetings.

The sub-committee recognizes that the primary objective of the meeting minutes is to report Board (EC, WG) decisions. Secondly, it also acknowledges that there should be an efficient minute preparation process leading to a timely approval of meeting minutes, making decisions official so that they may be carried out. Numerous iterations of minutes or a large amount of discussion around wording and structure are to be avoided.

¹² In particular, the Global Fund, which is due to adopt such a system at the end of 2004.

The main improvement opportunity on meeting reported is related to the decision-making processes discussed above. Once decisions are clarified during meetings, it will be easier to draft reports and get agreements among participants. However, there are some improvements to the meeting reporting process that the sub-committee submits for Board consideration.

¶ **Better reflect major disagreements and discussions in the meetings.**

- Several people consulted have suggested that minutes, while still focused on final decisions, should provide more detail around discussion and disagreements during meetings. (exhibit 37)

¶ **Continue with the distribution of a draft version of the minutes to get agreement and suggestions for the final version**

- There should be attention to suggestions and recommendations from the partners once a first draft is distributed. When the first iteration of the draft minutes is completed and comments are received, the Executive Secretariat, with agreement of the Board's chair, will distribute the final minutes.

(6.) Performance Evaluation

As discussed in the initial section of the document¹³, interviews and surveys manifest a perception that the Board could do more in performance monitoring and evaluation of performance, both its own as well as of other alliance mechanisms.

The sub-committee suggests that the Board formalize the use of periodical performance evaluation mechanisms for the governing bodies, including the Board, the EC and the WG

- ¶ Mechanisms for monitoring Board, EC and WG performance should be simple, adequate in terms of frequency, and capable of assessing overall performance along key areas of responsibility for each body.
- ¶ The sub-committee considered two alternatives for such mechanism, to be used with a periodicity of 18 to 24 months:
 - *Use external help for performance reviews.* This model would be similar to that used in 2002, when an external consultant developed recommendations to improve governance and alliance performance.

¹³ also refer back to exhibit 7

- *Use an internal group for performance review.* This model would be similar to the current governance performance review, where a sub-group of the board (or other governance bodies) would be given the task of evaluating performance and suggesting recommendations
- ¶ The sub-committee recommends that an internal group be asked to conduct the review, getting external help if required. An initial review at the board level should be conducted one year from now, to follow up on the implementation of the recommendations contained in this report.

(C.) GOVERNANCE OUTLOOK FOR CONVERGENCE AND IFF

The sub-committee has also made some effort to assess the impact that convergence between GAVI secretariat and the Vaccine Fund management on the one hand, and the International Finance Facility (IFF) on the other, will have on GAVI governance. This section presents the reflections and preliminary recommendations around the two topics, which will have to be revisited and detailed by the board once the two processes are more advanced.

(1.) Vaccine Fund Background

The Vaccine Fund Board is legally responsible for the maintenance, development and disbursement of program funds, according to the GAVI Board recommendation on program support. It is comprised of 15 board members of high public profile, with different backgrounds (exhibit 38 and 39).

The Vaccine Fund also counts with four sub-committees. An Executive Committee, in charge of the specific funding decisions based on GAVI Board recommendations. It is comprised of members from Board representing key institutions (Gates Foundation, TVF President, UNICEF, GAVI Secretariat), and chaired by the Vaccine Fund president. A Development committee, providing support for resource mobilization and implementation of donor policy. An investment committee, supporting the VF's financial and investment functions. Lastly, an audit committee, developing advice for the VF on controlling, and coordinating with external auditors. Additionally, the VF counts with a nomination committee, which provides advice to identify potential candidates to become board directors.

Currently, the Vaccine fund is examining some changes to its current governance structure, in particular related to board composition and nominations. In particular, it is reviewing the board member nomination and selection process, the criteria for member selection, the purpose and roles of the board, and the individual member responsibilities.

(2.) Specific governance issues given convergence

- ¶ An immediate consequence of the convergence is the elimination of the Vaccine fund seat in the GAVI Board and the EC. The Executive

Secretary will act as the liaison between the two Boards, and will continue to sit in the Executive Committee of GAVI.

- ¶ The role of the Executive Secretary of the GAVI /VF is also upgraded. In particular, it is expected that he plays a more active role in supporting fundraising efforts, coordinating alliance partners beyond the support functions of staff provided during meetings
- ¶ Additionally, the Executive Secretary would adopt the responsibilities suggested in the previous section of the document, namely, a more active role as the Board Secretary and as the coordinator of board and EC meetings preparation and documentation.

(3.) Specific governance issues given IFF

- ¶ Currently, governance arrangements for the International Finance Facility for Immunization (IFFIm) are being designed. Generally, the objectives of additional governance mechanisms for this facility hope to ensure program effectiveness in the use of donor funds by: (a) ensuring predictability of donor funding to agreed vaccine and other programs; whilst at the same time, (b) ensuring that there are adequate checks and balances, accountability and transparency throughout program development, approval implementation and monitoring stages.
- ¶ The IFFIm will be established as a company limited by guarantee, incorporated as a UK Charity. As such, the IFFIm will be an independent entity. A new governance mechanism is hence needed to ensure that the funds made available to IFFIm are used in accordance with the overarching principles of the IFFIm
- ¶ Currently the IFFIm has made it clear that it should not duplicate the functions of GAVI and the Vaccine Fund. In particular, it has been noted that “subject to UK charity law requirements, it should not: (a) establish programme policy which is done at the level of the GAVI, and (b) duplicate the audit functions of GAVI and Vaccine Fund¹⁴”
- ¶ The following governance structure for the IFFIm has been proposed:
 - *Board of directors*: The initial board of directors would be appointed by GAVI and the Vaccine Fund. Thereafter the existing directors would

¹⁴ This and subsequent paragraphs draw from “Governance of IFFIm”, background document, November 8, 2004

select replacement directors. There should be 5 directors. The directors would include individuals with a background in health, finance and audit. They should also have experience of developing country and donor issues.

- *Secretariat*: The IFFIm would outsource the secretariat function to the Vaccine Fund under service level agreements. The GAVI Secretariat will be responsible for preparing board papers, and receiving request for funding and supporting program documentation
 - *Reporting*. The Directors and the donors will receive reports on the GAVI IFFIm funded programs in a format that will allow them to determine whether the programs have been implemented in accordance with the overarching principles. The GAVI Secretariat and Vaccine Fund will also be required to report to the IFFIm Board as required in accordance with the grant agreement, but not less than annually
- ¶ In addition, there has been talk about the potential requirement of having another board member on the GAVI board, directly representing one of the IFFIm donor countries (France or the UK). As mentioned in the first section, this requirement has not been officially discussed by the IFFIm yet. The Board should await the final recommendations of the IFFIm sub-committee and further discussions on the mechanism and its implications
- ¶ Lastly, the sub-committee would like to raise awareness about the potential increase in workload for the secretariat and for countries / IRC, resulting from the reporting requirements that will be needed for the IFFIm. Hence it recommends that the secretariat clearly evaluates the expected workload given IFFIm, and suggests appropriate measures (including those related to IRC, ICC, WG, etc.).

* * *