

CEPI Fifth Interim Board Meeting

List of participants

20 November 2017, Tokyo

Board members

- Anita Zaidi (Delegate), *Bill and Melinda Gates Foundation*
- Ichiro Kurane, *National Institute of Infectious Diseases, Japan*
- Jane Halton, *Independent*
- Jeffrey Mphahlele, *South African Medical Research Council*
- Jeremy Farrar, *Wellcome Trust*
- Joachim Klein, *Federal Ministry of Education and Research, Germany*
- Joanne Liu, *MSF*
- Line Matthiessen, *European Commission, by phone, until lunch*
- Luc Debruyne, *GSK*
- Lydia Ogden (Delegate), *Merck*
- Marco Krieger, *Fiocruz*
- Nima Farzan, *PaxVax, Inc.*
- Tore Godal, *Ministry of Foreign Affairs, Norway*
- Victor Dzau, *National Academy of Sciences*
- Vijay Raghavan, *Government of India, until lunch*

Observers to the Board

- Richard Hatchett (CEO), *CEPI*
- Mark Feinberg (Chair SAC), *IAVI*
- Margaret Hamburg (Chair JCG), *National Academy of Sciences*

Apologies

- Adar Poonawalla
- Arnaud Bernaert
- Chris Whitty
- Peter Piot

Secretariat

- Daniel Nelki
- Dawn O'Connell
- Frederik Kristensen
- Joseph Simmonds-Issler
- Ole Kristian Aars
- Per Etholm
- Sabrina Kriegner

Guests

- Alexandru Valeriu Cebotari, *World Bank, by phone*
- Chieko Ikeda, *Ministry of Health Labor and Welfare, Japan (MHLW, Japan)*
- Detlef Böcking, *Federal Ministry of Education and Research, Germany*
- Kaori Miura, *MHLW, Japan*
- Kensuke Okugami, *MHLW, Japan*
- Laura Efros, *PaxVax, Inc.*
- Lene Jeanette Lothe, *Norad, Norway*
- Mihoko Kashiwakura, *Bill and Melinda Gates Foundation*
- Mukesh Chawla, *World Bank, by phone*
- Ryota Ushio, *MHLW, Japan*
- Samia Saad (Delegate), *Bill and Melinda Gates Foundation*
- Tomoo Ito, *MHLW, Japan*
- Toru Kajiwara, *MHLW, Japan*

- Peter Salama
- Yah Zolia
- Yifru Berhan

Introduction

K. VijayRaghavan opened the meeting, participating via a teleconference line. Due to not being present in person and the vice chair having sent apologies, Dr VijayRaghavan invited Dr Kurane (as host) and Dr Farrar (representing one of CEPI's founding partners) to co-chair the meeting. The transfer of chairing responsibilities was approved by the Interim Board, and accepted by Dr Kurane and Dr Farrar.

Dr Kurane introduced Dr Chieda, from Japan's Ministry of Health Labour and Welfare. In her opening remarks, Dr Chieda emphasised Japan's ongoing commitment to CEPI, and highlighted CEPI and its vision as an essential part of developing an inclusive global health system.

In his opening remarks, CEPI's CEO noted that this was the last meeting of the Interim Board, who should be proud of their remarkable achievements, and that the business of the day was focussed on ensuring a strong transition to the future board.

Agenda item 1 - Standard items

Ichiro Kurane, Director-General at the National Institute of Infectious Diseases in Japan, was introduced as Japan's representative on the Board taking over from Naoko Yamamoto and approved by the Board. No new conflicts were raised.

Agenda item 2 – Nominations

Jeremy Farrar, Chair of CEPI's Nominations and Compensation Committee, presented the Committee's proposal for the composition of CEPI's future board. In doing so, he:

- Outlined the committee's approach to their work which included consultations with all Interim Board members and an open advert for nominations and applications
- thanked all Interim Board members for their support and insights during the process
- outlined the 8 individuals proposed as independent members of CEPI's board
- set out how these individuals met the competencies and criteria agreed upon by the Board and deliberated on by the committee
- noted that in addition to identifying individuals with appropriate competencies and areas of expertise, the committee had sought to develop a holistic proposal with:
 - diversity of gender, geography
 - independence of thought and perspective
 - a group that would be committed and work well together
 - the right challenge and culture to take CEPI forwards – with a balance of current board members staying on, and new members joining

Three current board members were proposed to remain on the future board: and were asked to leave the room for the discussion, noting it would include discussion of them and their future roles.

The committee's proposal included staggered seat durations, with two board members rotating off after 12 months.

Resolution

The proposal was supported in full. Formal invitations will be extended to board members designate, asking them to obtain permission where required from their institutions to sit on CEPI's board from

March 2018. If nominated independent Board members decline the invitation to serve on the Board, new nominations need to be presented to the interim Board.

Agenda item 3 – governance documents

Articles of association

Richard Hatchett presented the updated Articles of Association, which had been updated following feedback in July's Interim Board meeting, with the following key edits:

- requiring CEPI to respond to and safeguard the fiduciary requirements of investors in relationship to stewardship of public funds.
- ensuring the views and roles of all stakeholders in CEPI is clear and foundational to the operation of the association and the board
- the Members meeting now comprises of both board members and investor council representatives.

A number of suggested changes from Germany, Norway, and the European Commission had been tabled and were outlined and discussed.

Discussion points:

- Dissolution of the board and amendment of the articles of association are for the Members Meeting as opposed to the Board
- The approval process for future board members would be:
 - 8 Board members recommended by Nominations Committee, approved by the Board
 - 4 Investors Council members seats selected by the Investors Council

Resolution:

The Secretariat should revise the Articles of Association, incorporating the agreed edits, and recirculate to the Interim Board for approval.

Investors Council ToR

In July, the Interim Board approved the institution of an Investors Council. Richard Hatchett presented the proposed terms of reference for this body, noting these had been developed in consultation with investors. The terms of reference set out the purpose of the body, the selection and composition of membership, and the operating procedures.

Resolution:

The Terms of Reference were approved, noting the points raised in discussion, and the Investors Council will be formally instituted, and requested to nominate its 4 representatives for the board.

CEPI Board will approve all future contributions to CEPI, and when doing so specify the duration of membership to the Investors Council.

Approval of policies in the transition period

It was agreed that the Board would approve policies in writing during the transition period.

Board Charter

Richard Hatchett presented the Board charter which had been developed following the instructions of the Interim Board in July.

Resolution:

The Interim Board approved the charter, conditional on a minor update to include a guiding principle on ensuring the vaccines reach the people who need them

Nominations and Compensation Terms of Reference

Richard Hatchett presented updated terms of reference for the Nominations and Compensation Committee, with edits relating to the updated role of the committee in nominating board members.

Resolution:

The Interim Board approved the TOR, following minor proposed edits.

Scientific Advisory Committee Terms of Reference

Richard Hatchett presented the updated terms of reference for the SAC. Formally, the SAC has now disbanded, and will be reformed (including a number of current members) in early 2018.

In presenting, Richard Hatchett highlighted:

- the SAC had achieved a considerable amount, and functioned very effectively.
- the need to increase geographic and gender diversity
- some technical areas of expertise need to be brought into the SAC

Resolution:

- The SAC ToR were approved, noting term cycles should customarily be three years, renewable, with the CEO and SAC chair able by exception to extend this, and for the chair two years renewable.

Joint Coordination Group Terms of Reference

Richard Hatchett presented the updated terms of reference for the reconstituted JCG, and the list of organisations who CEPI will extend an invite to. He noted that the group was being reduced from its previous incarnation as a large stakeholders forum, to a nimble body focussed on the portfolio and products which CEPI is supporting, working to address all critical path issues in CEPI's portfolio by scanning the horizon for potential challenges, prioritizing those and recommending actions to be taken by CEPI components. There will be core members, and non-permanent members invited on a needs basis.

Resolution:

The board approved the terms of reference, its planned composition (noting the inclusion of the IFRC), and the reappointment of the chair of the JCG for an additional 2 years

Agenda Item 4 – Policies for approval and polices in process

Frederik Kristensen presented on CEPI's approach to policies which, under CEPI's articles of association, are an item for board approval. In presentation, Frederik noted:

- The drive for the policies CEPI is working on is three-fold – for general business requirements, for partnership agreements and negotiations, and to satisfy investors
- The policies required by some investors need to be in place before funds can be transferred

- There will be standard operating procedures behind each policy - developed by the Secretariat and approved by the CEO

Resolution:

- The use of animals in research, whistleblowing, and anti-corruption policies were approved
- The procurement policy was approved subject to clarification and consistency on the principle of transparency
- The necessity of the international sanctions policy, and the mechanics of how this has to be enacted by CEPI, will be explored

Agenda item 5

CFP1

Daniel Nelki gave an overview of progress as part of the call for proposals 1 negotiations and due diligence process. He noted:

- CEPI has contacted each of the 7 institutions September's Interim Board endorsed CEPI entering into negotiations with
- The Secretariat is conducting technical, legal, and financial due diligence
- The first site visit has been conducted, 3 others are scheduled this calendar year
- CEPI is aiming to sign 2 partnership agreements in advance of Davos

Resolution:

The update was noted by the Interim Board.

CFP2

Richard Hatchett gave an update on CFP2. CFP2 focusses on vaccine platform technologies and increasing response speed. 38 applications were received by the deadline for preliminary applications. 33 of these met the criteria of the call. The applications included nucleic acid, protein based gene encoded antibody session, and other candidates.

CEPI's review team met in New York on November 15 and 16, joined and supported by the Gates Foundation and NIAID to review the proposals. Promising applicants will be asked to submit full proposals. Final review will be made by the SAC in mid-April 2018, before final decisions by the Board in June 2018.

Resolution:

The update was noted by the Interim Board.

Agenda Item 6 - Resource Mobilisation

A discussion was held on CEPI's current resource mobilisation activities, upcoming trips, and prospects.

Agenda item 7 – auditor approval

Per Etholm presented a proposal for a global audit firm for CEPI for 2017 and 2018. He outlined the process whereby three bids had been received, the proposals reviewed against criteria, and Ernst and Young (EY) recommended as the best supplier. The first completed audit will be presented to CEPI's new board when it meets for the first time in March 2018.

Resolution:

The Board endorsed the proposal and asked the Secretariat to appoint EY as global auditor for 2017 and 2018

Agenda item 8 - Directors and Officers insurance

Per Etholm presented a proposal for CEPI to acquire Directors and Officers insurance.

Resolution:

The Board approved the Secretariat's D&O insurance proposal, conditional on ensuring clarity on minor points raised.

Agenda Item 9 – Investor Contracts

Per Etholm gave a presentation on the status and timelines for CEPI's contracts with investors. These were noted as including two components:

- Agreements: i) Investor Contracts, bilateral agreements with individual investors establishing legal requirements, and ii) a non-binding memorandum of understanding/collaboration with all investors with the purpose of harmonizing requirements and provide predictability for new investors.
- Supporting documentation: existing and new documentation providing added detail about operations and how CEPI will meet requirements. Includes budget, policies and procedures, theory of change, results framework, and risk register.

Resolution:

The Board noted the update.

Agenda item 10 - Budget

Per Etholm presented an updated budget for 2017, detailed budget for 2018, and 5 year forecast. He noted:

- the Secretariat is working to align investor income to outflows to awardees
- CEPI's current funding picture is fairly heavily frontloaded in terms of investment
- An operational reserve of MUSD 25 has been introduced. Key points in discussion:

Resolution

The Board:

- Noted the 2017 budget forecast
- Approved the 2018 budget
- Noted the 5 year financial picture, thanking the Secretariat for transparently presenting how current and predicted financing relates to investment levels and flows
- Expressed strong support for CEPI proceeding with CFP1 and CFP2 against current timelines,

Over the coming months the Secretariat:

- Will develop more detailed month-by-month or quarter-by-quarter financial tracking and budgeting, as the CFP1 negotiations begin to be completed and a more accurate picture of outflows can be created
- Will not award funding in circumstances where it is unable to guarantee payment and will ensure this through contractual clauses stating investments will be subject to CEPI's own availability of funds.

Agenda item 11- Fundholder arrangements

Per Etholm presented on developments with regards to fundholding arrangements since the last board meeting. The update set out CEPI's banking arrangements in the UK, US, and Norway, and the relationship with the World Bank towards operationalising the financial intermediary fund (FIF).

Resolution:

The board noted the update.

Agenda item 12 – Hedging strategy

Per Etholm presented CEPI's proposed hedging policy and hedging strategy. The purpose of the strategy is to manage the risk of currency fluctuations, and protect the value of contributions from donors - as opposed to maximising returns or currency speculation.

Resolution:

The board approved the hedging policy and hedging strategy

Closing remarks

The CEO extended his thanks to the acting co-chairs, Japanese hosts, and Secretariat staff.

The acting co-chairs made some closing remarks:

- on behalf of the Interim Board thanking the CEO and Secretariat for remarkable work to date
- reflecting that in just a year's time the organisation had achieved a huge amount, pushing forwards at a breathless pace, but doing so with sufficient attention to ensure appropriate governance, systems and procedures were in place
- the Interim Board should feel proud of what it has achieved
- the future Board and Secretariat must keep at the centre of its mind why CEPI was originally founded – both the history and the ethos