GAVI Alliance & Fund Board Meeting
Cape Town, South Africa, 28 & 29 November 2007

FINAL Summary Report

1 Executive Secretary/CEO report
Julian Lob-Levyt, GAVI Alliance Executive Secretary and GAVI Fund CEO, presented his report (presentation and document available). Discussion followed:

- GAVI’s work in phase 1 has created a “contagious optimism” among development partners by demonstrating what can be achieved through a strong public-private partnership that is willing to take risks. But as the Alliance moves forward, it will need to create a period of stability and confidence that will continue to produce and demonstrate results. GAVI must now strengthen its link with an overall reduction in mortality. The evaluation framework will be central to this.

- Although most countries have achieved high coverage (above 70%), many have not been able to address the remaining 20-30%. The Alliance will need to consider strategies that will help countries reach these children, making it a central part of GAVI’s monitoring “dashboard”.

- GAVI has been an important contributor to an immunisation revolution that began in the 1980s with EPI, when coverage with traditional vaccines increased from under 20% to nearly 80%. GAVI’s creation helped countries to rebuild that high coverage level and add previously unaffordable vaccines like hep B and Hib to their EPI. GAVI is now on the cusp of a further revolution; with vaccines for rotavirus and pneumococcal diseases, GAVI has the potential to address the chief causes of child mortality.

- Cash transfers to countries for ISS and HSS support are an area of risk for the Alliance. The GAVI model is designed to release funds against good performance, not to analyse how these funds are used. GAVI will need to better define how this risk can be managed by advancing the options outlined by the Transparency and Accountability task team.

- GAVI is currently developing a gender policy that will address equity in access for women and girls. GAVI may also wish to explore issues of children with disabilities, who often go unreached.

2 Country presentation - Armenia
Deputy Minister of Health of Armenia, Dr Tatul Hakobyan gave a presentation on Armenia’s health system, and its activities with GAVI Support (presentation and document available). Discussion followed:

- The Board welcomed the presentation, noting that it provided some very interesting lessons on health systems in the European region.

- The presentation clearly demonstrated that countries each face a unique set of challenges in health systems. For instance, many countries suffer from an overall lack of human resources for health. Armenia, on the contrary, has ample human resources. However, many health professionals in the Armenian system are specialists and are not prepared to provide support in all areas of public health. Most doctors are also based in urban areas, leaving Armenia’s rural population without support.
3 Country programmes – recommendations of the IRC teams for new proposals and health systems

Dr Frank Nyonator and Dr Maureen Law of the Independent Review Committees for New Vaccines/ISS and HSS respectively provided IRC recommendations for new support to countries (presentation and document available). Discussion followed:

- As GAVI funds health systems, it has been careful not to do so at the expense of funding for vaccines. GAVI’s current support portfolio envisages that two-thirds of GAVI funding will go to vaccines; only one-third will go to health systems. The vaccine portion is expected to rise significantly in the coming years as more countries apply for rotavirus and pneumococcal vaccines.

- Countries present noted that the GAVI proposal and independent review process for HSS challenges them to create very sound proposals, with effective strategies to address a few core gaps.

- The IRC team for HSS strongly recommended that GAVI require countries to provide indicators that help the Alliance monitor implementation progress. It also urged GAVI to establish a policy for transparency and accountability. Although these recommendations were noted in the report, the Board has not been asked to consider them as part of the decisions. Management will respond to the Board on IRC recommendations in due course.

DECISIONS

Margaret McGlynn of Merck recused herself from the decisions, stating Merck’s commercial interest related to proposals for rotavirus vaccines.

The Hon. Maj. Courage Quashigah recused himself from the decisions, as Ghana was one of the countries under consideration for approval for the HSS window.

The GAVI Alliance Board:

3.1 Approved the recommendations of the IRC for New Vaccines, Immunisations Services Support, and Health Systems Strengthening, and endorsed corresponding budgets for:

3.1.1 Multi-year programmes for New Vaccines Support (NVS) totalling: US$399,622,500
- This included budgets for non-vaccine costs of vaccine introduction totalling: US$5,438,000

3.1.2 Multi-year programmes for Immunisation Services Support (ISS) totalling: US$28,993,000

3.1.3 Multi-year programmes for Health Systems Strengthening: US$137,988,000

3.1.4 Multi-year programmes for Civil Society support: US$5,319,000

4 Country programmes – recommendations of the IRC teams for continued support

Dr Fred Binka chair of the Independent Review Committees for monitoring provided IRC recommendations for continued support to countries (presentation and document available). Discussion followed:

- While not specifically related to the decisions under this agenda item, some board members noted that there is a need to not only monitor the programmes that GAVI finances, but an obligation on the part of the international community to monitor its own commitments to enhanced development assistance in the spirit of the “Paris Principle” for mutual accountability.
DECISIONS
The GAVI Alliance Board:

4.1 **Approved** the recommendations of the IRC monitoring team, and **endorsed** corresponding budgets for:

4.1.1 **Increases to eight multi-year programme budgets for New Vaccines Support (NVS) totalling:** US$ 32,514,872.

**NOTE:** an additional six countries recommended for continued support require decreases to their multi-year programme budgets, totalling (US$ 33,097,225). Thus, a net decrease of (US$ 582,353) is needed for NVS in this round.

4.1.2 **Endorsed** an increase to one multi-year programme budgets for Immunisation Services Support (ISS) totalling: US$ 61,000.

**NOTE:** an additional country recommended for continued support requires a decrease to its multi-year programme budgets, totalling (US$ 1,710,720). Thus, a net decrease of (US$ 1,649,720) is needed for ISS in this round.

5 **Cash management plan**
Alice Albright, Chief Financial and Investment Officer, introduced the cash management plan, which sets out GAVI’s multi-year programme endorsements, and short-term programme funding needs (presentation and document available). Discussion followed:

- Although the cash management plan is meant chiefly as a decision making tool for the GAVI Fund Board on short-term programme liabilities, it would be a helpful tool for all Board members to understand GAVI’s long-term programme commitments and phasing of disbursements. Alliance Board members will receive a copy of this document.

6 **Health Systems Strengthening in the Democratic Republic of the Congo**
Mr. Aristide Kasongo, Chief of Cabinet of the Ministry of Health, updated the Boards on the use of GAVI HSS to address gaps in the Democratic Republic of the Congo’s health system (presentation available). There was no discussion.

7 **Health systems strengthening update**
Craig Burgess, Senior Programme Officer, provided an update on recent developments in the Health Systems Strengthening window, and introduced a request to increase the HSS funding cap from its initial level of US$ 500 million, set by the Alliance Board in December 2005, to US$ 700 million (presentation and document available). Discussion followed:

- When the Alliance Board opened the Health Systems Strengthening window in December 2005, it agreed that rather than using a ‘pilot’ approach for select countries only, it would open the window to all eligible countries. To date, 40 of the 72 eligible countries have already applied for HSS, exceeding initial expectations and absorbing most of the original HSS funding envelope. A majority of the remaining countries are expected to apply in 2008, many for the first proposal deadline in March.

- If GAVI were to halt HSS funding levels at the original $500 million, GAVI could stand to lose the confidence of countries. It would also punish those countries that followed the Board’s recommendation not to rush proposal development. In May 2007, the Board stated that “countries are not encouraged to rush their proposals because money will run out. The Board will reconsider HSS funding once this cap is reached.”
• Although the Board continues to strongly support GAVI’s contribution in the area of health systems, some board members expressed concern that the proposal to increase the HSS cap was not accompanied by a full risk assessment and activities necessary to reduce these risks. Areas of risk and their mitigating factors will be critical considerations to the Board’s final decision, especially since HSS awards are disbursed in cash. The Board also requested additional information on the overall financial commitment and disbursement profile for HSS.

• Feedback from developing countries indicates that GAVI HSS is highly valued funding; it is difficult to get, but easy to use. The flexibility with which countries can apply their HSS awards more than compensates for a demanding planning and proposal development process.

• The quality of proposals received during the first four application rounds has gradually increased. However, it was noted that this cannot be treated as a proxy for results achieved during implementation, since initial funding was only released in March 2007. It is important to note that the majority of countries have focused their HSS activities at the peripheral/operational level, rather than proposing a total health system overhaul. This targeted approach will increase the chances that countries succeed and are able to sustain their achievements.

• One board member noted that GAVI should think strategically about the use of IFFIm funds, especially in the context of HSS. IFFIm funding is more expensive than traditional funding, and thus may be best used to support activities that require large, up-front infusions of cash, or as others noted, long-term predictable financing.

• GAVI should be strongly engaged with promising new initiatives for health systems strengthening like the International Health Partnership. By doing so, GAVI will be able to contribute its initial lessons-learned from supporting health systems, and align its contributions with those of other donors.

DECISIONS
The GAVI Alliance Board:

7.1 Authorised the Secretariat to explore ways in which GAVI processes in the eight International Health Partnership ‘first wave’ countries can be better aligned with the IHP mechanisms as they are developed and then report back to the board on options.

7.2 Requested that the Secretariat, with the support of the Health Systems Strengthening Task Team, provide more information before it takes its final decision on the funding cap at its 26 February meeting, chiefly:

7.2.1 A full risk assessment for the proposals, including proposed actions that can mitigate perceived risks;

7.2.2 A comprehensive HSS disbursement profile, including all current and projected country approvals. This should also include an overview of assumptions made and explanation of the model used to make these estimates.

8 Hosting report and recommendations
Marc Hofstetter, Deputy Executive Secretary and Chief Operating Officer, presented the final report of the hosting review. Sigrun Møgedal, member of the Hosting Committee, presented the Committee’s final recommendations (presentation and document available). Discussion followed:

• GAVI is now required by Swiss law to transition to a Swiss entity. As it makes this shift, GAVI should work closely with the Global Fund, which is currently undertaking a similar process. GAVI and the Global Fund may both be able to benefit from synergies created through a commonly shared hosting platform.

• A change in hosting arrangements may be a challenging experience for staff in Geneva. The impact of the loss UN identity should not be underestimated. The Board agreed with management that staff concerns are of central importance, and that the process going forward
should ensure ample dialog with staff. The Hosting Committee also recommended that its mandate be extended, which will allow it to focus on staff needs during the transition.

- The majority of UNICEF contracts for GAVI staff based in Geneva will expire in June of 2008. UNICEF is willing to extend these contracts, provided that the Secretariat has a firm “exit strategy” for its transition to a Swiss entity.

- WHO advised that it will continue to be a strong partner and resource for GAVI staff while in the field, and will provide assistance to GAVI staff while on missions to eligible countries. UNICEF is exploring this issue further, but in principle is willing to offer the same support.

### DECISIONS

The GAVI Alliance Board:

8.1 **Approve** that, considering the recent developments in the new Swiss law and the stance of the Swiss authorities, the GAVI Secretariat in Geneva becomes a Swiss Foundation.

8.2 **Approved** that the GAVI Secretariat in Geneva establish a Swiss legal entity.

8.3 **Authorised** the Secretariat to apply to become an International Institution under the new Swiss law, pending a decision on the final type of entity (foundation vs. association).

8.4 **Mandated** the Secretariat to prepare and implement a change management plan which will ensure the identity and values of the UN as well as best practice from the private and public sectors will be carried forward into the new administrative arrangements. Specific expertise will need to be hired in areas such as compensation and benefits as well as pension.

8.5 **Requested** WHO, UNICEF and the GAVI Secretariat to explore how to ensure the maximum possible collaboration for GAVI Secretariat staff and consultants at country level (e.g., security, travel arrangements).

### 9 Governance report and recommendations

Dr Margaret Chan, Director-General of the World Health Organization and Chair of the GAVI Alliance Board called in from Addis Ababa to make introductory remarks to the governance discussions, highlighting WHO’s commitment to GAVI and her hope that the Boards would make decisions and give direction for future work. Joy Phumaphi then presented the recommendations of the joint governance steering committee. Discussion followed:

- The Board congratulated the joint governance committee on a difficult and complex task. While some Board members expressed concern that the joint governance committee was only able to provide its final recommendations to the Boards on the day of the meeting, others commented that the numerous drafts and iterations of the proposal reflected the attempts by the committee and the consultants to respond to Board member feedback.

- Due to the late receipt of the final recommendations and remaining questions about issues of delegation and representation at various levels of the governance structure, the Board agreed to make a number of ‘in principle’ decisions at the meeting, which certain Board members will need to take back to their respective constituencies, governments and institutions for consultation.

- A decision on whether the Swiss legal entity should be a Foundation or an Association will need to be made in early January at the latest so that GAVI is able to comply with Swiss law and apply for international organisation status under the new Host State Act which will come into effect as of 1 January 2008.

- There may be some realignment of functions if and when a decision is taken by the GAVI Fund to transfer assets to the Swiss entity, but there will be a continued need for a Washington office.
The precise legal relationship between the Swiss entity and the future US 501(c)(3) will be explored.

- The estimates of time required by board members - especially those serving on committee(s) - may not be accurate. The consultants were requested to provide further analysis. It will also be helpful to understand the impact of the new governance structure on Secretariat workload.

- Bringing together two cultures into one governance structure is at the heart of the challenge faced by the governance committee. On the one hand, a commitment to efficiency, results and risk management has made GAVI successful; on the other hand, GAVI could not have succeeded without its commitment to inclusiveness, collaboration and shared responsibilities.

- The redesign of GAVI governance must not appear to be a GAVI Alliance ‘takeover’ of the GAVI Fund nor a GAVI Fund “takeover” of the GAVI Alliance, but a reinforcement of GAVI’s unique public-private approach: a mutually agreed merger. Fund board members confirmed that one-third, or 10, ‘unaffiliated’ members of the board and one-third, or 4, unaffiliated members of the Executive Committee should be considered a minimum. In addition, the Fund board should be equally represented on any committees that make final recommendations on composition.

- The principle that the Board should delegate operational oversight to the EC was endorsed. However, the precise division of responsibilities will need to be further explored, using real-life examples from GAVI’s past and future operations.

- EC members should be selected based on the skills and functions required on the EC, as follows:
  - the ability to ensure the continued contribution and motivation of the Alliance partners who are instrumental to the successful implementation of GAVI’s programmes;
  - clear understanding of the aims and objectives of the donors in providing funding to GAVI;
  - experience of the issues involved in and significant contributions to the research, product pipeline development, production and dissemination of vaccines;
  - clear understanding of health/immunisation policies and implementation of health system strengthening programmes particularly in a developing country context, and an understanding of international aid/development policies;
  - understanding and experience of budget management, and accounting and audit of charitable organisations;
  - experience of financial assurance, investment and risk management;
  - experience of governance and performance management of comparable organisations; and
  - experience of, and willingness to offer active support for, fund raising and profile development of GAVI.

- The industrialized country industry representative requested a seat for industry on the EC noting the unique skills industry brings to the discussion - the role the industry serves in the research and development, manufacture and distribution of needed vaccines, and in contributing to the experience needed to achieve broad adoption.

**DECISIONS**

**The GAVI Alliance Board:**

9.1 **Agreed** in principle the reorganisation of GAVI into a single Swiss legal entity. This decision would be subject to the following:

9.1.1 Agreement on the legal form of the Swiss entity (Foundation or Association) and the method of transfer of the assets and liabilities of the GAVI Fund to the single Swiss entity

9.1.2 Agreement on the transfer of the assets and liabilities of the GAVI Fund to the single Swiss entity.

9.1.3 The single Swiss entity to apply for ‘international institution’ status resulting in privileges and immunities under the Swiss Host State Act.
9.1.4 The GAVI Fund Board to decide that the proposed transfer of assets and liabilities (and the resulting changes) to the single Swiss entity is consistent with the furtherance of its charitable mission and objectives.

9.1.5 Full due diligence on the transfer mechanism to confirm that transaction costs for implementation are not likely to be materially in excess of 1% of GAVI’s total budgeted expenditure for 2008.

9.1.6 Detailed analysis of expected budgets to confirm that annual operating costs of a Swiss entity are comparable to a US-based entity.

9.1.7 The outcome of the discussions with the Swiss Authorities to be favourable to achieving GAVI’s mission and purpose.

The outcome of the work on the above conditions will be presented back to the Boards for final decision, at an extraordinary meeting in February 2008.

9.2 Agreed the overall vertically integrated governance structure of GAVI’s single entity.

9.3 Agreed that the Board is the supreme decision making body of GAVI [and that it would delegate operational oversight to the EC.

Note: The Joint Boards reviewed the following recommendations 4 – 15 and noted with appreciation the work of the Joint Governance Steering Committee. The Boards agreed that recommendations 4 - 14 set out the framework for the design of a fuller specification of the future governance arrangements. It agreed that further work is needed to refine them, taking into account comments made and subject to further consultations by the representative Board members with their institutions and constituencies, and the Boards’ final approval in February 2008, of the fully worked-up design of the proposed governance structures and the implementation plan.

9.4 Agreed that the Board should have up to 30 members. Up to two-thirds (20) of its composition would be ‘representative’ members, and up to one-third (10) would be ‘unaffiliated’ members.

9.4.1 Also agreed that the initial composition of the representative Board members would be 17 members with the following break-down:

- 4 seats (one each) for WHO, UNICEF, World Bank, and the Gates Foundation.
- 5 seats for developing country governments.
- 5 seats for donor governments.
- 1 seat for industrialised vaccine industry.
- 1 seat for emerging vaccine industry.
- 1 seat for civil society.

noting that this initial composition allows for some unallocated seats to ensure flexibility for further representation of the appropriate constituencies, as GAVI grows in size.

9.4.2 Agreed that the CEO/Executive Secretary of GAVI would serve on the Board. Agreed to delegate to a ‘Transition Committee’ to recommend to the Joint Boards whether or not the CEO/Executive Secretary should have voting rights on the Board.

9.5 Agreed that the EC should have up to 12 members, selected by the GAVI Board on the basis of their skills/ functions and ability to give the required time commitment.

9.5.1 Agreed that the initial composition of the EC would include the World Bank, UNICEF, WHO, Gates Foundation, donor representatives, developing country representative, the CEO/Executive Secretary of GAVI, and four unaffiliated members. The composition of the EC will be reviewed after a period of 3 years.
taking into account the continued need for the specified skills/functions, and the legal/fiduciary obligations related to GAVI that are undertaken by EC members.

9.6 **Agreed** that the Board Chair and Vice Chair may be any (representative or unaffiliated) Board member elected by the Board for a term of three years. It is a matter for the Board to decide whether or not to continue with the current practice of the Alliance that the Chair rotates between WHO and UNICEF.

9.7 **Agreed** that decisions on the Board and the EC will generally be taken by consensus, but where a vote is required on the Board or on the EC.

9.7.1 Each member will have a single vote and decisions will be taken by a two-thirds majority.

9.8 **Agreed** to permit the named alternates of 'representative' Board members to participate and vote at the Board meetings, only under defined exceptional circumstances. The specific conditions under which the named alternates may participate at Board meetings and the flexibility of allowing alternates at the EC meetings will be considered further by the Transition Committee. Noted that an alternate will be a Director with fiduciary responsibilities, under the Swiss law. [This recommendation is subject to legal clarification.

9.9 **Agreed** to create the following standing Board committees:

9.9.1 Reporting to the Board:

- Nominations
- Governance, Ethics and Conflicts

9.9.2 Reporting to the EC:

- Finance and Audit
- Investment
- Fundraising
- Programme and Policy
- Remuneration

9.10 **Agreed** to delegate to the 'Transition Committee' to recommend to the Boards the precise functions and composition of the Programme and Policy Committee, and the role of the Working Group in the future structure. In the meantime, the Working Group would continue to function as currently.

9.11 **Agreed** to continue with the current role of the Independent Review Committees, which would report to the EC.

9.12 **Agreed** the need for an effective policy for management of conflicts of interest, appropriate to the Alliance nature of GAVI.

9.13 **Agreed** the time commitment for various Board/committee members and proposals to improve efficiency of managing governance meetings.

9.14 **Agreed** that GAVI’s advisory groups and task teams should:

9.14.1 be composed of individuals selected for their particular skills/functions, with the Terms of Reference approved by the EC/Board;

9.14.2 report to the EC/Board when appointed to advise the EC/Board, and to the CEO/Executive Secretary when created to advise the CEO/Executive Secretary;

9.14.3 be chaired by a Board member/nominee, or alternatively by the CEO/Executive Secretary or senior management.
9.15 Agreed to the key next steps, including the dissolution of the Joint Governance Steering Committee and the constitution of a new Transition Committee to recommend to the Joint Boards in February the detailed plan to implement the approved proposals

10 2008 work plan and budget
Marc Hofstetter, GAVI Deputy Executive Secretary and Chief Operating Officer, presented the 2008 work plan and budget (presentation and document available). Discussion followed:

- The chair of the GAVI Fund Audit / Finance Committee reported that the committee had reviewed the work plan and budget and was able to recommend approval without any reservations.
- The 2008 work plan and budget is a significant improvement over the one submitted one year ago; board members congratulated the Secretariat, the Working Group and the Audit/Finance Committee for their close collaboration in developing a clear and detailed document and presentation.
- GAVI may wish to consider moving to a two-year budget in the future. This would help for example to align the GAVI budget with those of the multilaterals.
- The indicators concerning the efficiency of the Secretariat should be considered a work in progress. They will be further developed in 2008 and should reviewed to ensure that they are the most appropriate.

DECISIONS
Daisy Mafubelu of WHO recused herself from the decision given that WHO is a major recipient of work plan funding. The GAVI Alliance Board:

10.1 Approved $ 77.6 million in work plan and administrative expenditures for 2008.
10.2 Approved $ 11.9 million to fund multilateral partner staff costs in 2009.
10.3 Approved $ 0.7 million in capital expenditures.

11 Development committee report and private philanthropy
Dwight Bush, chair of the Fund Development Committee, updated the boards on the activities of the committee including the launch of the private philanthropy initiative (presentation and document available). Discussion followed:

- Many board members committed their support to this initiative including WHO, donor governments and developing country governments. The value of this effort to increase awareness of GAVI's results-oriented approach among the private sector was highlighted.
- It will be important for the private philanthropy team to continue its close work with the US Fund for UNICEF which has also launched a major gifts programme.
- The issue of whether contributions from individuals can be targeted to specific programmes, regions or countries, is being explored.

12 Investment committee report
George Wellde, chair of the Fund Investment Committee updated the Boards on the activities of the Investment Committee, focusing on the following points:

- Cumulatively, the investment portfolio has contributed more than $185 million to GAVI’s immunization efforts - one of the distinct benefits of having significant cash in the bank.
• The Investment Committee requested an independent evaluation of the potential for a socially responsible investment policy - in terms of investment returns, the audit process and costs of implementation; the evaluation should be completed in 1st quarter 2008.

• Alliance Board members voiced appreciation of the clear and simple presentation of the work of the investment committee.

13 Audit/Finance committee report
Wayne Berson, chair of the Fund Audit/Finance committee, updated the Boards on the activities of the Audit/Finance Committee, focusing on the following points:

• The year 2006 was the first year in which consolidated financial statements - of the GAVI Fund, IFFIm, GAVI Fund Affiliate, GAVI Foundation, and Lyon - were issued. The financials received a “clean opinion” from auditor Deloitte Touche, and they were approved by the Fund Audit and Finance Committee on 18 September and approved by the Fund Executive Committee on 25 September.

• This was also the first year that Deloitte was engaged as independent auditor for the GAVI Fund, the IFFIm, GFA, Foundation, and Lyon. Deloitte has been engaged by the GAVI Fund for 2007 (IFFIm and GFA will consider on 14 December). Some first-year learning curve issues will be discussed to ensure a smooth working relationship going forward.

• The Committee met on 2 November to discuss the 2008 Work Plan and Budget. Committee members felt the package was much improved over the previous year’s and were comfortable recommending the budget to the Boards for approval.

• The Committee is continuing to review the financial implications of the Advanced Market Commitment, as requested by the Fund board. The Committee has discussed a range of issues including legal structure options and budget impact; it will continue this discussion at its December 14 meeting.

• The Committee has had an ongoing discussions about creating a Delegation of Authority policy that would denote specific spending delegations to the GAVI Fund officers. The spending thresholds that the Committee is recommending to the Fund Board will codify limits, ensure appropriate flexibility for management and greater Board oversight of big ticket items.

• The Committee continues to discuss quarterly financials, regularly reviews a financial risk register, reviews the Whistleblower, Document Retention, and Conflict of Interest Policies, and reviews Director and Officer (D&O) insurance coverage. It was clarified that Fund board members are provided $20 million worth of D&O insurance coverage.

• Alliance board members commented on the significant and solid contributions provided by Fund board members on a voluntary basis, and requested to receive all Fund board policies.

14 IFFIm Update
Alan Gillespie, chair of the IFFIm board, updated the Boards on the activities of the IFFIm (presentation and document available). Discussion followed:

• In addition to the contributions of the GAVI Fund board volunteers, Alan Gillespie and the other IFFIm board members must be thanked for their tireless efforts on behalf of GAVI and the IFFIm.

• The IFFIm evaluation being planned for 2008 will explore the potential of this type of financial mechanism for other development challenges.
15 AMC Update
Nina Schwalbe, Deputy Executive Secretary and Director of Policy updated the Boards on the Advanced Market Commitment (AMC) (presentation and document available). There was no discussion.

16 Vaccine categorisation project
David Salisbury, chair of the WHO Strategic Advisory Group of Experts, updated the Boards on the work that has been conducted to date by WHO to identify priority vaccines, to aid the GAVI Board in decisions about its long-term vaccine investment strategy (presentation and document available). Discussion followed:

- The exercise to date should be considered preliminary; the final product will have a longer term perspective and incorporate significantly more consultation with countries and regions.
- Industry is supportive of the longer-term perspective and offered to contribute to the ongoing work, as industry regularly conducts these types of exercises. The importance of understanding the needs and priorities of the customer – in GAVI’s case, decision makers in the poorest countries – is key.
- The regional perspective will be important as vaccine priorities will change according to region.
- While WHO continues work on this project, GAVI is moving ahead with the development of its long-term vaccine investment strategy, to be presented for decision in June 2008.

17 GAVI support for India
Rudi Eggers of WHO presented a proposal to raise India’s funding cap (presentation and document available). Discussion followed:

- The Government of India proposes to use funding on a state-by-state basis, focusing on those states with very low immunisation coverage and poor overall health indicators. It is hoped that funding will have a catalytic effect in these low performing states.
- If GAVI increases its support to India, it should ensure that fund flows are not hampered by bottlenecks in India’s financial system, as absorptive capacity has been a problem with past GAVI support. In addition, the Government of India should be required to agree upfront to meet all reporting requirements, as this has also presented a problem in the past.
- It will be helpful for Alliance partners to convene a meeting with government representatives and in-country partners and donors in India before any funding is disbursed, as proposed. This would allow the Alliance and the Government to agree upon clear expectations for this increased support.

**DECISIONS**
The GAVI Alliance Board:

17.1 Approved an increase to the overall funding cap for India from the present US$ 100m to $350m (inclusive of the existing $100 million cap) for the period 2008-2011.

17.2 Agreed to allow India to apply for all GAVI country support windows.

18 Meningitis A
Marc LaForce of the Meningitis Vaccine Project presented a proposal for a meningitis vaccine investment case (presentation and document available). Discussion followed:
At GAVI’s inception, Meningitis vaccine was considered one of GAVI’s priorities for future introduction, along with rotavirus and pneumococcal vaccines. It was not part of GAVI’s ADIPs as funding was provided directly by the Bill & Melinda Gates Foundation to PATH and WHO.

Although GAVI is currently developing a comprehensive vaccine investment strategy, it may be valuable to consider Meningitis vaccine outside of this strategy, given original Board decisions on vaccine priorities.

A full investment case could be considered by the Board in June of 2008. This would allow ample time to roll-out vaccines in early 2009.

While special immunisation activities (campaigns) can put a great deal of strain on country health systems, recent successes with measles campaigns in Africa suggest that most possess the logistics capacity to conduct full-scale campaigns.

**DECISIONS**

The GAVI Alliance Board:

18.1 **Reaffirmed** the prior board decision to prioritise meningitis A vaccine and agree that it should be considered outside of the vaccine investment strategy process.

18.2 **Requested** the GAVI Secretariat to initiate the submission and independent review of a meningitis investment case that would be presented to the Board.

**19 Accelerating vaccine introduction**

Rosamund Lewis, Senior Programme Officer, presented GAVI’s proposed next steps to develop a support system for all new GAVI vaccines, including rotavirus and pneumococcal (presentation and document available). Discussion followed:

- The ADIPs have been central to partner coordination in the development of rotavirus and pneumococcal vaccines, especially for industry. As the ADIPs phase out, GAVI must ensure that the benefits of the ADIP approach is translated to GAVI’s future efforts to accelerate vaccine introduction.

- The Secretariat will need to build additional capacity in order to serve as an effective coordinating mechanism in this effort. GAVI will continue to rely on partners like WHO, UNICEF and the research community for all technical expertise and implementation. Further work is needed to define roles and establish budget envelopes for activities conducted by partners, countries and external experts.

- When developing the final proposal, it would be valuable to clearly spell out the links between efforts to accelerate vaccine introduction and the AMC for pneumococcal vaccine.

**20 Executive session**

The Boards discussed the issue of disbursements to the Democratic People’s Republic of Korea and Uganda, in the context of transparency and accountability.

- The Boards noted the Ugandan Government’s response regarding the recovery of misappropriated ISS funds. GAVI partners agreed to update the Boards as to the adequacy of Uganda’s response to this issue, and measures to avoid any such incidents in the future.

- In order to mitigate risks associated with sending both cash and supplies to Korea DPR, WHO and UNICEF have agreed to channel support through their in-country offices.

**DECISIONS**

The GAVI Alliance Board:
20.1 Requested the GAVI Secretariat to approach the Ugandan authorities directly, and request the full reimbursement of all misappropriated funds.

20.2 Approved the following arrangements for supply and funds flows to Korea DPR:

20.2.1 All funding for Immunisation Services Support (ISS) will be handled through UNICEF, including procurement of any equipment or supplies

20.2.2 WHO will manage Health Systems Strengthening funding to be used for projects such as construction of health facilities, and other activities requiring cash. UNICEF will manage HSS funding used to procure any equipment or supplies.