Joint session with the GAVI Fund Board: Tuesday, 28 November

1 Remarks on behalf of Ms. Ann M Veneman
Mr. Kul Gautam, UNICEF Deputy Executive Director, updated the Boards on UNICEF’s new representation on the Board and continued engagement within the Alliance:

- Ms. Veneman stepped down as Alliance Board Chair in order to fully focus on UNICEF’s child survival agenda and organisational reform during this important and busy time of transition. Through a statement read by Mr. Gautam, she assured the Board that UNICEF remains a fully committed Alliance partner at all levels, providing vaccine procurement, in-country support, and enhanced monitoring capacity.

2 Executive Secretary & CEO report
Julian Lob-Levyt, GAVI Alliance Executive Secretary and GAVI Fund CEO, presented his report; this was followed by discussion:

- Through 2006 the Alliance has built up a solid financial base while continuing to deliver significant results. The partnership is characterised by its ability to develop new policies in response to the direction provided by the countries it supports.

- The GAVI Alliance is now at a critical turning point – ready to take innovation to scale: in financing, accelerating the introduction of new vaccines, and in how it works as a partnership/Alliance. Critical to GAVI’s ability to go to scale will be a well-functioning, fit for purpose Secretariat and effective governance structures.

- GAVI’s greatest strength is in partnership. In fact, many donors support GAVI because it is founded on partnership with UN agencies such as WHO and UNICEF. This should remain a key consideration in all governance discussions.

- With operations spanning both the private and public sectors, striking the correct balance in governance practices presents an ongoing challenge for GAVI. There is a need to retain distinct functions of both the Alliance and Fund Boards, yet the need for better synergy, both in terms of process and decision-making, requires a re-think of GAVI’s governance for the future. A joint governance committee should be established to explore options for development. This should be a board-driven process; the Secretariat was asked to consult with the respective Board chairs to identify committee members and terms of reference. An initial conversation about taking this work forward should be had at the next joint Executive Committee meeting.

- On a separate matter, Canada raised the issue of GAVI’s potential role in the event of a pandemic flu crisis. UNICEF and WHO plan to submit a position paper on this subject for Board consideration at its next meeting. GAVI’s current mandate is focused on routine immunisation; therefore it may not be ideally placed to respond in an emergency situation.
3  GAVI procurement policy

Marijke Wijnroks, Health Adviser for the Netherlands Ministry of Foreign Affairs, Chair of the GAVI Roles & Responsibilities Task Team, presented the draft GAVI procurement policy; discussion focussed on the following points:

• This policy applied only to the procurement of vaccines for programmes not already included in the existing MoU on procurement between UNICEF and the GAVI Fund. As GAVI introduces new vaccines such as rotavirus and pneumococcal, full collaboration with industry will be needed on the selection of a GAVI procurement agent. Industry noted the need to take into account the importance of quality demand forecasting, efficient distribution systems, stable cold chain etc. Industry stressed the strong track record of UNICEF, and noted the potential difficulties that might result by separating procurement from supply/distribution and if there were a different procurement agency for current vs new vaccines.

• Several adjustments are needed before the procurement policy is finalised (noted below) and it should be brought back for review by the Alliance & Fund Boards after one year of implementation.

DECISIONS

The Alliance Board:

3.1 Adopted the procurement policy as presented subject to the following changes:

3.1.1 Replacement of the word “will” with “shall” in Part I, Section II, Subsection 4; Section III, Subsection 1; Section III, Subsection 2; Section IV and Section V.

3.1.2 Definition of the word “collusive” in Part I, Section III, Subsection 1

3.1.3 Definition of the term “conflict of interest” in Part I, Section III, Subsection 2.

3.1.4 Inclusion of a provision rendering ineligible procurement firms that violate human rights.

3.1.5 Clarification of how ineligibility decisions are determined

3.1.6 Addition of the word “or” at the end of Part I, Section V, Subsection 1, Subsections a, b, and c

3.1.7 Inclusion of US$ 250,000 as the threshold for open competitive bidding for procurement contracts in Part II, Section II

3.1.8 Inclusion of US$ 250,000 as the threshold for assignments in Part III, Section IV

3.1.9 Inclusion of US$ 100,000 as the threshold in Part III, Section V

3.1.10 Clarification on the governance entity

4 2007-10 Roadmap including 2007 Work Plan

Marc Hofstetter, GAVI Deputy Executive Secretary and Chief Operating Officer, presented an overview of the 2007-20 Roadmap and 2007 Work Plan; discussion focussed on the following points:

• This is the first time that either Board been asked to review a single, comprehensive Work Plan and budget, encompassing the activities of all partners. In the future, processes for review and approval of the financial and programmatic aspects of the Work Plan need to be streamlined to allow both Boards to feel comfortable with the final result. The Alliance & Fund Boards should work to develop a shared process to take such decisions in the future.
On 27 November the GAVI Fund Executive Committee, acting in its role as Fund Finance Committee\(^1\), deferred approval of the 2007 Work Plan budget, citing a number of areas for clarification. As a result, the budget was not presented to the Alliance Board for approval. The Fund EC’s specific concerns related to the substantial increase in the budget as compared to a previous version.

The Alliance Board raised the issue about their lack of involvement in the deferment of the decision on the Roadmap and the Workplan 2007. The decision-making competencies of the different governing entities should be further clarified and applied.

Although the EC did not request the Secretariat to remove any activities, it did request projections for future annual budgets in order to evaluate sustainability. The EC also requested that the Secretariat and Partners reconsider the phasing of budget requirements, based on absorptive capacity and realistic timelines for the roll-out of activities. Finally, EC members requested further clarification on staffing levels, including consultants.

The process to approve the 2007 Work Plan clearly illustrates the level of complexity that GAVI faces in its governance. In the future, both Boards must be given equal opportunity to review work plans and their corresponding budgets. Financial accountability is important, but the level of scrutiny must be weighed against transaction cost for the Secretariat and partners.

Alliance Board members were very pleased with the structure and content of the Work Plan, and recognised both the partners and Secretariat for their hard work in developing it.

### DECISION
The joint Boards:

4.1 Agreed that the process for approval of the 2007 budget will be as follows:

4.1.1 The Secretariat and Working Group will develop an interim ‘stopgap’ budget, in order to ensure no interruption in activities. The interim budget will be presented to the GAVI Fund Executive Committee as soon as possible.

4.1.2 The revised 2007 budget will be presented to the GAVI Fund Board on 7 February 2007. In order to reduce meeting & travel costs the Alliance Board agreed that the Alliance Executive Committee should attend this meeting and review the revised budget.

5 Proposal for new banking arrangements

Kevin Grant, GAVI Fund Treasurer, presented the new proposed structure for management of Alliance funds; Board members did not raise any issues or questions.

### DECISION
The joint Boards:

5.1 Approved the new banking structure and authorised management to implement it.

6 Results of the hepatitis B vaccine programme in China

Dr. Yu Jingjin, Deputy Director of the Ministry of Health, China, briefed the Boards on the outcome of China’s hepatitis B programme jointly sponsored by the Chinese Government and the Alliance; discussion focussed on the following:

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\(^1\) As of 28 November 2006, the role of Finance Committee was transferred from the Executive Committee to the Fund Audit Committee.
There are a number of lessons for GAVI to draw from China’s experience with its hepatitis B programme. The high-level political commitment of the Chinese government was vital to the success of the programme. In addition, hepatitis B vaccine was provided as part of routine immunisation, rather than through a separate system. This will help to make hep B coverage sustainable in the future.

The Government has signalled its clear commitment to continue providing hepatitis B vaccine after GAVI support ends. The Chinese Government has already provided half of the $76 million needed to fund this programme over a five year period.

The government estimates that every year there are over 300,000 deaths in China due to liver cancer. The Ministry of Health is working to bolster surveillance systems in order to monitor the impact of the hep B vaccine programme on future liver cancer mortality.

The Boards expressed their appreciation for the presentation and the outstanding progress made by the Government of China.

7 Update on the IFFIm

Dr. Alan Gillespie, Chair of the IFFIm Board, updated the Board members on the IFFIm’s historic first bond issuance; discussion focussed on the following:

- In its inaugural issue, demand for IFFIm bonds was over-subscribed by 75%; the subscriber base also spanned several sectors and geographical regions.
- Many subscribers highlighted the ethical dimension as a key factor in their decision to purchase IFFIm bonds.

8 Immunisation Data

Dr. Rudi Eggers, WHO Medical Officer, briefed the Boards on data collection and reporting processes, including challenges at local, national and global levels; discussion focussed on the following:

- This presentation was developed to respond to specific Board member questions regarding the data used by the Alliance to evaluate progress and communicate impact. The Boards welcomed this very useful presentation. However, Board members noted the need for further analytic work in order to detect weaknesses and gaps in the way GAVI builds evidence for results. An independent study in the context of the GAVI evaluation was agreed at the Alliance board in June 2006.
- Due to the efforts of partners like UNICEF and WHO, there have been encouraging improvements in immunisation data collection and reporting in recent years. In specific, the joint reporting form provides a common template to record and track country number of children reached, coverage and other information.
- Partnerships such as the Health Metrics Network are working to strengthen and align global health information systems, but more work is still needed in this area. Partners should encourage country ownership of data collection by emphasising its importance and applications.
- Other types of data impact the calculation of vaccine coverage. Developing countries often rely on outdated population figures, masking true coverage rates. Global support is needed for data collection systems that extend beyond the health sector. Additional surveys and more frequent consultation with national immunisation systems would improve the quality of the current WHO & UNICEF estimates of national immunisation coverage.
9 Investment cases for rotavirus and pneumococcal vaccines

The Alliance Board received briefings from Michel Zaffran of the Secretariat, John Wecker of the Rotavirus Vaccine Programme, Orin Levine of the PneumoADIP, and Claire Broome of the Independent Review Committee on the decisions requested of the Board, the scope of the investment cases, and the recommendations following the independent review; discussion focussed on the following:

- This is the first time that GAVI has taken the decision to introduce new vaccines that are virtually unavailable in developing countries; it is a monumental step.
- The quality of investment case submissions have improved dramatically; both investment cases are bold and innovative, focused on major childhood killers, and include sound, complete analyses.
- Broad partner support will be critical, both to promote country ownership and evidence-based decision making. WHO especially will have an integral role to play.
- Co-financing levels for these new vaccines are now being determined, based on consultation with partners in countries in regions, and through examination of data.
- Introducing these vaccines will generate additional infrastructure costs, not all of which can be covered within current GAVI funding windows such as health system strengthening.
- Current product packaging for both vaccines will present a particular challenge for existing cold chain infrastructure; however, industry is already working to develop new packaging which will be more suitable to developing country health systems.
- Surveillance systems must be strengthened to document impact and to monitor possible adverse events. It was noted that the WHO Global Advisory Committee on Vaccine Safety has reviewed the safety of these vaccines. The Committee has concluded that the safety profiles of these are reassuring.
- While both of these investment cases have tremendous potential to reduce child mortality, most impact will not become apparent until after 2015 when the majority of eligible countries are expected to have introduced rotavirus and pneumococcal vaccines.
- GAVI should consider supporting phase 3 trials for rotavirus and pneumococcal vaccines produced by emerging manufacturers. This could help to ensure future availability of vaccines at more affordable prices.

DECISION

Margie McGlynn of Merck Vaccines and Amie Batson of the World Bank recused themselves from voting on this item, citing conflict of interest.

The Board:

9.1 Approved the proposed overall strategy for accelerating introduction of pneumococcal vaccines between 2007 and 2015;

9.2 Approved the proposed overall strategy for accelerating introduction of rotavirus vaccines between 2007 and 2015;
9.3 Approved an envelope of $200 million for the GAVI Secretariat to support negotiations for pneumococcal and for rotavirus vaccines, as well as to support strategic and technical activities between 2007 and 2010.

9.4 Authorised management to extend the Accelerated Development and Introduction Plans for rotavirus and pneumococcal vaccines by one year (through end 2008), with revised terms of reference, in order to ensure continuity.

9.5 Requested the Secretariat to map non-vaccine costs related to the introduction of these vaccines, and the extent of the funding gap, for presentation at the next Board meeting.

10 Enhancing civil society in the GAVI Alliance

Adenike Grange, Chair of the Civil Society Task Team, briefed the Board on the proposal to increase civil society engagement in the Alliance; discussion focussed on the following:

- Civil society organisations have the capacity to support GAVI’s mission by addressing targeted, country-specific needs. The Board applauded the Task Team for its proposal and for taking key next steps to better integrate these groups within the Alliance.

- As GAVI expands its activities in phase 2, it will be important to avoid fragmenting support to countries through multiple programme windows. Funding for civil society groups should be integrated into an existing window such as health systems, to allow for a more harmonised, country-driven approach.

- Criteria for this support should allow civil society groups to address country-specific challenges and constraints; although the ultimate goal of this support will be to reach more children, strategies may range from improving service delivery and systems, to increasing demand through advocacy.

- Further work will be necessary in order to develop specific applications guidelines and criteria to receive this support. Direct consultation with countries will be needed to finalise the 10 pilot countries; inclusion of additional or alternate countries may be explored.

DECISIONS

The Board:

10.1 Approved in principle the provision of additional financing within the HSS window for civil society groups in 10 “pilot” countries, with a two year (2007-08) financial envelope of US$ 22 million.

10.2 Approved an envelope of up to US$ 7.2 million to strengthen coordination and enhance civil society representation at the country level.

10.3 Requested the Secretariat and the civil society task team to work with the Working Group to finalise the pilot countries and develop the precise funding mechanisms.

Note: Decision to approve a budget to support civil society coordination and representation activities at regional and global levels was deferred, pending finalisation of the 2007 budget.

11 GAVI’s engagement in fragile states

Ahmed Magan, of Unicef, presented a proposal to classify fragile states and provide tailored support for countries in conflict or emerging from conflict; discussion focused on the following:
• While it is important that GAVI find better ways to support countries in conflict or post-conflict situations, solutions must be broadly coordinated amongst in-country partners and work to strengthen the overall delivery of basic health services. Support from UNICEF, WHO and civil society groups will be fundamental to this.

• Countries in conflict and post-conflict categories all have unique infrastructure and delivery challenges. It is not likely that one single solution will be applicable; in order to move forward, GAVI should support robust consultations in each of these countries.

• It may be worthwhile to develop revised terminology for ‘fragile states,’ as this expression often has a negative connotation.

DECISIONS
The Board:

11.1 Adopted the proposed classification system for fragile states, based on the World Bank Low-Income Countries Under Stress (LICUS)/fragile states model

11.2 Adopted two sub-categories of countries requiring special treatment:

11.2.1 Post-conflict countries, based upon World Bank International Development Association (IDA) classification criteria; and,

11.2.2 Conflict countries.

12 Other business
Jocelyn Davis, Chair of the GAVI Fund Executive Committee was available for this item to discuss next steps for approval of the 2007 Work Plan and budget.

• In light of the GAVI Fund Executive Committee’s recommendation to not approve the GAVI 2007 Work Plan Budget, the Alliance Board requested a short note from the GAVI Fund Executive Committee explaining the basis for this recommendation.

13 Executive session
The Board reviewed the nominations for new GAVI Alliance Board members.

DECISIONS
The Board:

13.1 Selected Dr. Tatul Hakobyan, Deputy Minister of Health of Armenia, and the Hon. Dr. Tedros Ghebreyesus, Minister of Health of Ethiopia to fill the two vacant seats on the developing country government constituency. Their terms of service will be effective as of 1 January 2007 and will run until 30 December 2009.

13.2 Selected Dr. John Clemens, Director-General of the International Vaccine Institute (IVI) to fill the vacant seat on the research and technical health institute constituency. His term of service will be effective as of 1 January 2007 and will run until 30 December 2009.

13.2.1 WHO committed to strengthen the communication channels between the GAVI Alliance Board and the Strategic Advisory Group of Experts (SAGE) in order to ensure SAGE input into the definition of a GAVI supported research agenda.

13.3 Approved the following recommendations regarding donor government representation on the GAVI Alliance Board:
13.3.1 Increase the number of donor government seats from four to five.
13.3.2 Move to a self-selected constituency-based representation. Each seat would have one government which takes the seat, and another government which acts as alternate. Additional governments, which have indicated they are not in a position to assume active involvement on the GAVI Alliance Board, would join the constituency of their choosing.
13.3.3 Allow the donor government seats to rotate every two years instead of every three, given the new constituency system. This applies only to new members, not to Norway and the United States.
13.3.4 The following constituency system will be enacted through end 2007:
   a. Norway (member through December 2007), Italy (alternate), Ireland
   b. United States (member through July 2009), Canada (alternate), Australia
   c. Netherlands (member through December 2008), Sweden (alternate), Denmark
   d. United Kingdom (member through December 2008), Spain (alternate)
   e. France (member through December 2008), Luxembourg, European Commission
     Note: Germany will select its preferred constituency.
13.3.5 The following constituency system will be enacted starting 2008:
   a. Italy, Spain (Spain and Italy will decide member and alternate)
   b. United States (member through July 2009), Canada (alternate), Australia
   c. Netherlands (member through December 2008), Sweden (alternate), Denmark
   d. United Kingdom (member through December 2008), Norway (alternate), Ireland
   e. France (member through December 2008), Luxembourg, European Commission
     Note: Germany will select its preferred constituency.