

## **The GAVI Secretariat and The Vaccine Fund Management:**

### **Launching a path toward convergence**

#### **Background**

At the GAVI Executive Committee meeting on 29 October 2003, two interconnected strategic issues were discussed:

1. The long-term vision for GAVI that would best leverage the full potential of the Alliance - Should GAVI expand its focus outside of those that directly relate to the Vaccine Fund? Or, should the use of Vaccine Fund resources be expanded?
2. A closer working relationship between the GAVI Secretariat and the Vaccine Fund Management.

An EC member will initiate discussion on the first issue at the December GAVI Board meeting. The second issue is the topic of this paper.

#### **Rationale**

From the very beginning there has been a strong overlap between the objectives of GAVI and The Vaccine Fund, and therefore the focus of the work of the relevant staff. However, it was felt that a separately run GAVI Secretariat and Vaccine Fund management would provide an efficient 'check and balance' on resources raised and disbursed.

With the benefit of experience, it has now become apparent that the separation of responsibilities has not allowed an optimization in the efficiency of operations. Therefore an emerging view is that a revision of the model may be appropriate. In addition, the Executive Secretary of GAVI will be retiring at the end of 2004; it makes sense to use this opportunity to review the current circumstances and potential changes.

In the presentation to the EC by the Executive Secretary of GAVI and the President of the Vaccine Fund, three stages of convergence were considered:

1. Common strategy – agreement on main areas of work, two work plans
2. Unified management – one leader, one work plan
3. Complete merger – one leader, one work plan, one governing board.

#### 1. Common strategy

We believe that we have gone far towards developing a common strategy. The GAVI Strategic Framework includes long-term financing and recapitalization of the Vaccine Fund. GAVI Secretariat and Vaccine Fund staff communicate regularly on strategic issues. Essentially we feel that this level of co-ordination is the current status quo with the possibility of some limited improvements.

#### 2. Unified management

The key tasks of the GAVI Secretariat and the Vaccine Fund Management have been set out in the Strategic Framework. It is very clear that in its primary mission the Vaccine Fund depends on the GAVI Secretariat in relation to fund-raising as well as accountability for the use of its resources. Similarly the Vaccine Fund has a key role to play in relation to advocacy, procurement and securing long-term supply of appropriate vaccines (see Annex 1)

Co-location of the GAVI Secretariat and Vaccine Fund Management on the same premises could greatly facilitate the necessary communication and coordination and therefore increase efficiency and effectiveness. Putting the two bodies under one leader would ensure such gains. On the contrary, if the two bodies were kept separate under different leadership it could threaten the excellent collaboration between the two current leaders. This would imply relocation of one of the two teams.

There are strong advantages of having the GAVI Secretariat located within a UN Agency such as UNICEF as it facilitates communication, financial transfers with countries as well as the advantages accrued from having full diplomatic privileges. While Lyon has a WHO Branch and The Vaccine Fund's new premises, Geneva has the added value of close proximity to WHO Headquarters with its full range of expertise; and diplomatic missions often with a Health Attaché. If arrangements could be made whereby the Vaccine Fund would also be located in a close managerial relation with a UN agency then such benefits would also extend to Vaccine Fund management. However, it would be unreasonable to believe that this could be done without financial compensation and therefore a managerial agreement would need to be developed between the Vaccine Fund, as an independent legal entity, and the host UN agency.

Further, a unified management would allow opportunities for efficiency gains in several areas:

1. Programme management and planning
2. Operations
3. Communications
4. Resource mobilization

If unified management, including co-location, would be pursued it would be important to ensure the independence of the Vaccine Fund as well as the role of the GAVI Secretariat in ensuring the added value of the Alliance as outlined in the Strategic Framework.

### 3. Complete merger

A complete merger would entail combining the governance structures. The Vaccine Fund is required to have an independent Board in order to keep its tax-free status in the United States, which has a substantial financial benefit. Therefore we recommend at this stage to keep governance separate with a Vaccine Fund Board primarily focussing on fund-raising and a GAVI Board focusing on policy issues and continued functioning of Alliance participation and leadership.

However one could explore back-to-back meetings of the two Boards and the two Executive Committees.

A complete merger could be considered at a later stage.

## **The Time Frame**

The Executive Secretary of GAVI will retire at the end of 2004, and an open search process is envisioned to find his replacement. Thus if the GAVI and Vaccine Fund Boards agree to move toward unified management, the decision would need to be made before the end of this year, considering the time required to conduct a successful search.

ANNEX 1: Alignment of GAVI and Vaccine Fund priorities

<b>GAVI priorities for 2004-05</b>	<b>Importance of Vaccine Fund staff involvement</b>
Health information and monitoring systems for action	+++
Contributing to alleviation of system-wide barriers	++
Enhanced efforts in large population countries	++
Procurement / Supply of existing products	+++
Development and introduction of new, near-term products	+++
Managing the process for country support from The Vaccine Fund	+++
Financial sustainability	+++
Recapitalization of The Vaccine Fund	+++
Setting priorities	+++
Monitoring progress	+++

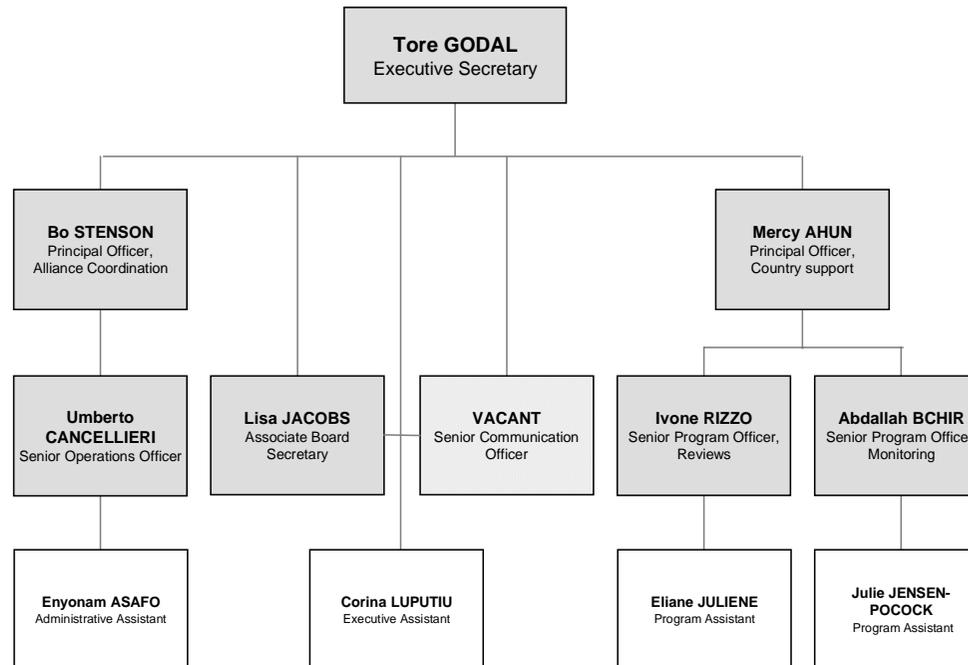
<b>Vaccine Fund strategic objectives for 2002-2006</b>	<b>Importance of GAVI Secretariat staff involvement</b>
Mobilize resources to achieve immunization sufficiency and sustainability	+++
Achieve visibility of the Vaccine Fund so as to secure support for its mission	+++
Manage the Vaccine Fund for efficiency and accountability for results	+++
Ensure with GAVI partners a secure supply of all relevant vaccines that are accessible to all target countries	+++

## ANNEX 2: GAVI Secretariat Organogram



November 2003

### The Secretariat



Note: In addition to the above posts the Secretariat has two temporary clerks and two professionals on temporary contracts to support work on the website and database, and the work plan and ADIPs

ANNEX 3: Vaccine Fund Organogram

Effective December 2003

