

**Report on Executive Committee Retreat
Washington, DC
June 2 – 3, 2004**

The Executive Committee retreat was intended to facilitate GAVI Board discussions at the upcoming July meeting so that the Board can reach closure on the important strategic issues that it faces. EC discussion focused on four topics, each of which was addressed in a short issue paper. The issue papers were circulated to the Board and written comments from Board members were shared with the EC.

The retreat offered the opportunity for the EC to thoroughly explore a number of important issues facing the Alliance on behalf of the Board. Discussion at the retreat was candid and detailed. Based on that discussion, the EC formulated a number of recommendations to the Board. A summary of the discussion follows. Recommendations can be found in the box at the end of this report.

Long Term Priorities and the Role of GAVI and Alliance Partners (“Strategy”)

About half of the retreat was devoted to the issue of GAVI’s strategy and to developing recommendations for clarifying GAVI’s role and that of its partners in the global vaccination enterprise. The following insights were developed:

GAVI has two basic functions:

- 1. *Vaccine Fund Direction:*** Providing guidance to the Vaccine Fund on the use of its resources.
- 2. *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 EC also discussed and elaborated on the specific activities that each of these functions might include.

Vaccine Fund Direction

Principles

The EC felt that it would be appropriate for GAVI to recommend that the Vaccine Fund invest only in activities that meet the following principles:

- *Time-limited:* The funded activities will not depend indefinitely on Vaccine Fund support, although the specific scope of the time limit may need to be discussed on a case-by-case basis.
- *Additionality:* The activities are new activities funded by new money.

- *Information available:* Adequate information is available to assess the activities with respect to the criteria below.
- *Unique:* There is no one else positioned to undertake these activities more effectively than GAVI.
- *Catalytic step function:* The activities lead to a step-up functional change in a current situation through innovative processes by fulfilling at least one of the following:
 - ◆ Add substantial impact beyond the specific activities that are funded.
 - ◆ Have an impact that lasts longer than the funding.
 - ◆ Develop innovative models that could be applied more broadly.
 - ◆ Are capital investments or one-time expenses that lead to a new level of performance.

Criteria for Choosing Priorities

The Vaccine Fund does not have sufficient funds to invest in all activities that meet these principles. Therefore, the following criteria are useful for GAVI to prioritize its activities and guide its choices among those activities that meet the above principles:

- *Sustainability:* The activities can, within the timeframe of VF funding, become sustained by other global or local sources of support, or do not need to be sustained in order to have accomplished their catalytic purpose.
- *National priorities:* The activities include some mechanism for countries to determine whether or how to implement the activities based on their needs. In most cases, funds will flow directly to countries unless a strong case for an exception is made.
- *Effective:* Countries have the means to make the activities happen.
- *Cost effective:* The activities provide high return for the investment.
- *Investment case:* The Board is presented with a full analysis and complete documentation of the potential impact of the proposed activities in order to decide whether there is a sound case for investment.
- *Equitable:* The activities include some element of equity within and between countries.
- *Partner commitments:* Alliance partners do not have responsibilities that would preclude their involvement in key required activities.
- *Impact on MDGs:* The activities will positively affect achievement of the immunization-related Millennium Development Goals.
- *Country focus:* Only on an exceptional basis does funding go to another agency or partnership rather than to countries. (Examples of exceptions include the Yellow Fever Stockpile and the, proposed Measles Investment case.)

Strategic Priorities

Using these principles to assess current activities, the EC feels the following strategic priorities are important and worthy of VF funding:

- *Scale up of existing vaccines*—where activities are limited to those that meet the above principles, including, for example, measles control activities associated with initial “catching up” but not sustaining ongoing measles activities.
- *Support for underutilized vaccines*—where activities are limited to those that meet the above criteria.
- *Accelerated introductions of vaccines and vaccine technology*—including, for example planning for the introduction of new but not yet licensed vaccines and assessment of the disease burden.
- *Immunization safety*—where activities are limited to those that meet the above criteria.
- *Providing ISS funding*—where activities are limited to those that meet the above principles, for example those related to the development, assessment and dissemination of innovative models.
- *Support of value-added activities* identified as part of the workplan process.

The EC further noted that upstream support for R&D on new vaccines does not meet the above principles and should not be funded by the Vaccine Fund.

Finally, the EC noted that GAVI needs a process to make decisions about future investments in a manner that is consistent with the above principles and criteria.

Working Together for Impact

GAVI also has a role to play help alliance partners work together to maximize the impact of their immunization-related activities. The EC articulated this role to include the following:

Messaging

The alliance has a role to play in raising the priority of immunization among donors and developing countries. In playing this role, it needs to do a much better job of coordinating and improving its messaging to emphasize, and clarify some key points for donors and developing countries. These points are articulated below and in figure 1.

- Immunization activities of many types, including maintenance of current activities and new activities, are needed to close the gap with MDG and WFFC goals.

- The VF focuses on a limited set of activities within a wide arena relative to the total immunization enterprise. The success of the global vaccination effort depends on a much broader set of activities of many different players.
- Within the area in which the VF (or any other organization) operates, it does not “own” that arena. It does not fund all of the activities, and does not have a special claim to all of the resources devoted to those activities.
- The EC felt that the Global Immunization Strategy being developed by WHO and UNICEF would serve as an important guide for situating the new strategic understanding of GAVI and the contributions of the VF in the broader immunization context. This was thought particularly relevant to better understanding the gap between current activities and resources and those needed to meet the MDG and WFFC goals. The EC advised WHO/UNICEF to continue the process they have launched ensuring that a strong formal consultative process is undertaken that includes GAVI and the other alliance partners and the broader immunization community. The Global Immunization Strategy acknowledges the special role that governments play in the execution of strategy and the necessity of its development in a manner that is informed by country needs.

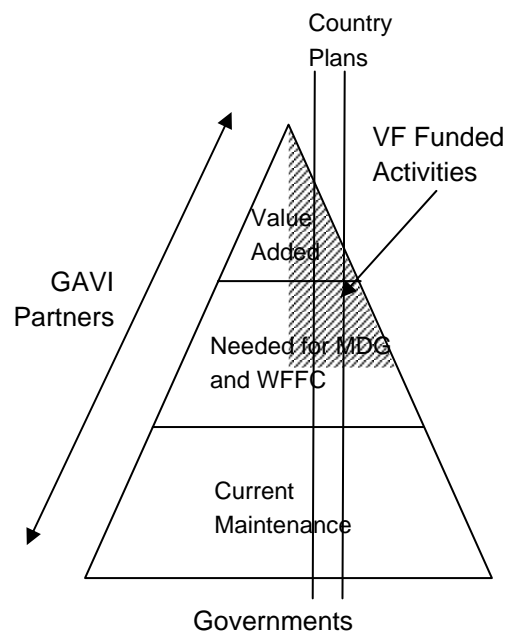


Figure 1

GAVI Workplan

The EC felt that a broader value-added Alliance workplan that encompasses the following is also desirable:

- The Secretariat’s activities in support of the Board and governance of the Alliance.
- Activities needed to ensure adequate administration and oversight of VF funded programs through the VF EC and Board and UNICEF, which manage the Trust Account.
- Limited additional value added activities of the Alliance.
- Activities that help Alliance partners work in concert for optimal impact on immunization issues.

This workplan needs to be developed in a manner that is:

- Partner generated
- Focused on value added activities
- Focused on activities not done elsewhere

The EC noted in its deliberations that this strategy is not entirely consistent with the existing mission statement or published strategic objectives of GAVI. These statements may need to be reviewed and revised if the Board decides to adopt the strategy as described here.

Optimal Structures and Processes for GAVI and the Vaccine Fund Moving Forward (“Governance”)

The large number of questions about the quality of Board support and interaction, the role of the Secretariat, and convergence of the VF and GAVI posed in Issue Paper #2 are, in part, a function of the increasing complexity of GAVI and VF activities in recent years. Some problems are generic difficulties of all alliances.

Governance Processes

The EC felt that GAVI should identify a special committee to address the variety of process and structural issues identified in Issue Paper #2 and comments by GAVI Board members and others in reaction to the paper. The GAVI chair should identify a special sub-group, including members of the Board, to prepare a report for the Board with recommendations addressing these issues, including, but not limited to:

- The Board agenda.
- Preparation time for Board members.
- Support for Board members in decision-making and other mechanisms to assure wider engagement of the range of partners in Board processes and decisions.
- Clarity of decision-making at Board meetings.
- The authority of the EC in relation to the Board.
- Management evaluation of Board/EC/Working Group roles and relationships.
- Style of communication between Board/EC/Working Group.

Convergence

The Executive Committee supported proceeding to implement structural convergence of the GAVI Secretariat and the VF in light of the discussion at the retreat clarifying the scope of GAVI’s activities in relation to the VF. However, it was agreed that this decision should be contingent on the deliberations of the board, and that those deliberations should be supported by information on the costs and benefits and strategic implications of

convergence. The EC requested that in addition to the report on convergence prepared earlier this year, a supplementary report be prepared with the goal of making it available, if possible, for the July GAVI Board. This report should address:

- Issues of messaging of the combined secretariats taking into account the strategy clarification recommended by the EC, and the strategic implications and advantages of reorganizing GAVI and the VF in this manner,
- Cost and savings related to combining staffs, assessing headcount of the combined GAVI/VF staff, relocation costs and office space, and
- Any other information needed to clarify the ramifications of this decision.

CFAR agreed to submit to the Executive Committee by June 11 a plan outlining the work necessary to prepare such a report.

Resource Requirements for Immunization in General, and GAVI and the Vaccine Fund Within that Context (“Financing”)

- The EC felt that the Alliance needs a shared understanding of the total funding needed to close the gap between current activities and achieving the WFFC and MDG goals. A shared view is being developed through the IFF planning process and the UNICEF/WHO global immunization strategy process, and other alliance partners will be consulted in the development of this analysis.
- The EC recognized that Alliance partners will sometimes coordinate and sometimes pursue independent fundraising activities, but all activities will be more effective if they make reference to the same immunization strategy and funding gap.
- Fundraising activities will also be more effective if partners are consistent in what they say about each other’s roles in the strategy. Messaging needs to be developed about these roles. (Message about the VF role needs to include principles and criteria developed above)
- Fundraising approaches will need to be flexible as the donor landscape shifts.
- The EC agreed that the IFF is an excellent potential example of the importance of coordination between alliance partners on fundraising.
 - ◆ Currently, the VF, World Bank, Gates Foundation, WHO and UNICEF are working with some donors to design an IFF immunization pilot and determine whether it is a workable model.
 - ◆ At a later date, it will be important to define how the money will flow to countries and activities. The Alliance will be consulted at that point regarding but it is first important to determine that the IFF is a workable model and will be funded by donors. The EC was not explicit about the scope of Alliance consultation.

Long Term Procurement Strategy (“Supply”)

The EC discussed and recommended two sets of activities to address the concerns that have been raised with respect to vaccine procurement and long term supply.

1. Procurement: UNICEF and the Gates Foundation will convene a small steering group to elicit suggestions from the EC and design a process to review and address procurement concerns. This process can begin immediately. It was felt there were a number of specific issues concerning pentavalent and rotavirus vaccines.

2. Hib: Urgent issues also need to be addressed regarding Hib:

- Discussions among several partners have been underway on this, and the Secretariat will coordinate a small group to organize a session at the July Board to highlight these urgent issues.
- The EC felt that following the Board discussion it may be appropriate to charge one or two small group(s) to quickly make recommendations for moving forward.

Recommendations

Strategy

1. The EC recommends that the Board adopt as a revised definition of GAVI’s role the two basic functions as described on pages 1 – 4 of this report, including:
 - ◆ The *principles* described on pages 1 – 2 to determine the types of activities GAVI will consider for VF funding
 - ◆ The *criteria* described on page 2 to prioritize and choose among the many different activities that meet the VF principles
 - ◆ The *strategic priorities* described on page 3 to describe the activities that the VF is currently committed to supporting.
 - ◆ The approach and components of the *working together for impact* function described on pages 3 – 5, notably:
 - Coordination and improvement of *messaging*, particularly with regard to describing the roles of GAVI Secretariat, the Vaccine Fund and Alliance partners in the global vaccine effort. In this context, the EC welcomes the effort underway by the WHO and UNICEF, in consultation with alliance partners, to develop a Global Immunization Strategy
 - Continued use of a *workplan* for Alliance value-added activities
2. The EC recommends that the Board put in place a process to revise the mission statement and objectives to reflect this understanding of GAVI’s scope. (In this context it may also be necessary for the VF mission and objectives to be revised.)
3. The EC recommends that a process be developed, or the investment case process

revised to enable the Board to make decisions about GAVI activities based on the principles, criteria and strategic priorities described above.

Governance

4. The EC recommends that the Chair of the GAVI Board appoint a task force as described on page 5 of this report to address the many complex issues concerning GAVI processes and governance identified there.
5. Pursuant to the report to be delivered on the costs and benefits of convergence, including strategic issues as well as the messaging issues, the EC recommends that the Board move forward with structural convergence between the Vaccine Fund management structure and GAVI Secretariat.

Financing

6. The EC recommends that GAVI adopt a common understanding of the financing gap between current activities and those needed to meet immunization-related MDG goals. This financing gap can be developed using the processes already in place for IFF financing and the WHO/UNICEF global immunization strategy.
7. The EC recommends that a process be developed to ensure that messages about the scope and mission of GAVI and the Vaccine Fund that are developed by the Secretariat, Vaccine Fund or Alliance partners are consistent and reflect the revised understanding described above.

Vaccine Supply

8. Pursuant to the presentation on Hib at the July Board meeting, the EC recommends that a small group be appointed to develop recommendations for addressing concerns in this area.