

## **Joint Teleconference of the GAVI and Vaccine Fund Executive Committees** 29 December 2004

### **Summary**

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#### **1 Resolving the issues related to convergence of the GAVI Secretariat and the Vaccine Fund**

- After closer investigations into the practicalities regarding the convergence of the GAVI Secretariat and the Vaccine Fund management it now appears difficult to meet all of the criteria included in the base case for convergence that was agreed to by both boards. Specifically, having both staff organizations report to a single leader and having Vaccine Fund employees remain employees of the Vaccine Fund (a private organization) and Secretariat employees remain employees of UNICEF has given rise to unforeseen complications.
- The base case for convergence was built upon an assumption that it would be possible for a GAVI Executive Secretary to be a United Nations staff member and manage non-UN staff. It was also assumed that as a UN staff member, the GAVI Executive Secretary could maintain the independence required to also act as the CEO for the United States-based nonprofit 501(c)(3) Vaccine Fund organization. According to UNICEF these assumptions are not valid.
- Neither of the two options presented to the two executive committees for the teleconference are acceptable as currently described; a creative solution that would maintain the strengths of both current structures is required. The key issue remained on how to find a solution that would allow a UN employee (the Executive Secretary) to be at the same time the president of the Vaccine Fund. This issue was defined by the ability (or not) of UNICEF or the UN to issue a waiver to allow this to happen.
- It was also made clear that the 501(c)(3) requirements were not minimal nor could they be served by a token appointment or a limited managerial construct.
  - i) The CEO serves totally at the pleasure of the Vaccine Fund Board members, who also set the broad objectives for the CEO
  - ii) The CEO cannot have conflicting responsibilities
  - iii) The CEO cannot have divided loyalties
  - iv) Further, the requirements of the 501(c)(3) extend beyond those related solely to the CEO position. These were not specifically addressed in the meeting and still need to be considered before finalizing the details of convergence.
- Some EC members expressed confusion as to why the complications have arisen only at this late date and wanted further clarification by UN legal counsel as to why the original assumptions that helped to guide the decisions on convergence now seem problematic.
- WHO advised that it had been able to find innovative solutions that meet the needs of Public Private Partnerships. One example might include aspects of the Global Fund to fight AIDS, TB and Malaria. The founding structure of the Global Fund to fight AIDS, TB and Malaria is not completely analogous to the GAVI situation but should be examined more closely to see if it might provide some ideas for GAVI.
- It was agreed that even if there was no exact precedence a creative solution should be found, one that demonstrated that the UN could effectively manage or accommodate the new world of Public Private Partnerships. This might even provide a working model for future public private partnerships in the UN.

- The issue of perception cannot be underestimated. Even though the public-private GAVI Board guides the organization, the location of the GAVI Secretariat is of critical importance, especially to developing countries and bilateral donors. That said, the point was made that the Board (s) is the centerpiece of the alliance and that the secretariat needs to be organized to meet managerial needs, to be flexible and efficient.
- With the contract of the current GAVI Secretariat Executive Secretary Tore Godal ending at the end of 2004, finding a solution to the issues is most urgent. It will be essential for Julian Lob-Levyt to be integrally involved in designing this solution as he will be responsible for implementing it.

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## **DECISIONS**

### **The GAVI and Vaccine Fund Executive Committees:**

- 1.1 Agreed that moving all GAVI Secretariat and Vaccine Fund staff to a private Swiss foundation is not an acceptable option. A solution should be found that retains the secretariat of GAVI within the UN, protects the 501(c)(3) requirements for a registered legal charity in the US, and maintains the flexibility and efficiency of a public/private alliance.
- 1.2 UNICEF committed to find an arrangement by which the Executive Secretary as a UNICEF employee could at the same time be the President of the vaccine Fund with the complete satisfaction of the 501(c)(3) requirements, including overall managerial responsibility, clear authority and accountability to the boards.
- 1.3 Agreed that the converged entity must retain the strong private sector/foundation component in order to keep the flexibility to meet the managerial challenges, including the introduction of the IFF for immunisation.
- 1.4 Recognising that this is not only a matter for legal counsel, requested that a special team be tasked with finding a solution that would meet all requirements and presenting it back to the Executive Committees for conclusion within one month. The team will be led by Julian Lob-Levyt and consist of: Peter Mason and Steven Allen from UNICEF, Fabian McKinnon and Lance Benkhe from the Vaccine Fund and a representative from WHO to be identified. Within two weeks the team is asked to develop a short summary of what is to be accomplished so that this can be reviewed and endorsed by the two EC's before further work ensues.
- 1.5 Agreed that in order to ensure that the GAVI Secretariat is not leaderless after the expiration of Tore Godal's contract, UNAIDS and DFID will be approached to explore whether under Julian Lob-Levyt's current contract that he be released to provide necessary leadership to GAVI during this interim period.