

UNICEF request to GAVI Board for the Vaccine Fund Trust Account bridge budget for 2005

Background

In 2000, UNICEF agreed to manage the Vaccine Trust Account on behalf of GAVI in order to facilitate financial transactions aiming to strengthen immunization services, procure new vaccines for 75 GAVI eligible countries and provide support for research of new vaccines. By end of 2003, a total of US\$ 497.7 million has been approved for disbursement of which US\$ 383.4 million has been disbursed through the Vaccine Fund Trust Account. In term of procurement 59,186,428 doses of vaccines were supplied with 55,224,000 auto-disable syringes and 595,850 safety boxes. The Third GAVI Board approved a budget of US\$ 9.1 million to UNICEF for the period **2000-2004** to support incremental activities related to the management of the Vaccine Fund Trust Account.

This document is proposed to the GAVI Board to approve a budget for **2005**. The budget requested for 2005 will serve a bridge to complete UNICEF transactions of biennium 2004-2005. Subsequently, next requests will be on biennium basis in order to maintain the continuity in managing the Trust Account and comply with UNICEF procedures.

Management of the Vaccine Fund Trust Account

The roles and responsibilities for the management of the Trust Account are those **approved** by the Third GAVI Board in June 2000. They are organized under two main functions addressing the following GAVI windows: procurement of new and underused vaccines, disbursement of funds for strengthening immunization services and for ADIP's¹.

¹ For details see Annex 6 of the Third GAVI Board Report: **Incremental activities related to the Management of Global Fund for Children's Vaccines Working Capital Account.**

The procurement function consisted primarily of planning and delivery of vaccines and immunization devices funded by GAVI/Vaccine Fund. New developments such as safe injection and yellow fever stockpile were added to procurement activities during the GAVI implementation process (2000-2004). To secure vaccine availability from manufacturers, firm contracting for long term period has been initiated. For vaccine quality, funding support is provided to WHO for manufacturers pre-qualification and quality assurance of new vaccines.

The function of funding management consists in the receipt of funds from donors to the Trust Account and funds disbursement based on GAVI/Vaccine Fund Board's approvals. The complexity of work has steadily increased with the number of transactions and volume of total funds being disbursed. Regular accounting reconciliation and reporting on financial transactions and quarterly financial forecasting allow Vaccine Fund to plan funds disbursement to the Trust Account.

The coordinating function ensures that interaction between partners, donors and recipient countries is effective in relation with financial transactions, procurement activities performed by the Trust Account for the implementation of GAVI/Vaccine Fund related activities. One role of the Management of the Trust Account is to coordinate fundraising activities for immunisation and monitoring of relationships with donors within GAVI framework.

Resources requirements for 2005

The requested budget of US\$ 3,592,347 for 2005 represents needs for staff and administrative costs to manage the Vaccine Fund Trust Account activities. The budget remains in the line with the previous approved budget of 2004 and the increase for 2005 covers the normal increase in staff cost and no additionality.

The management of the Vaccine Fund Trust Account involves directly four divisions of which some staff funded from the Vaccine Fund Trust Account budget are those directly involved in these activities.

The budget below shows a breakdown of needed funds per Division to manage Trust Account related activities for the GAVI/Vaccine Fund.

The GAVI Board is requested to approve the budget of US\$ 3,592,347 for the Management of the Trust Account at UNICEF for 2005 as a bridge budget.

HQ Divisions	2005 Budget
<i>Supply Division</i>	2,046,450
<i>Programme Division</i>	306,164
<i>Division of Financial and Administrative Management</i>	219,829
<i>Coordination Programme Funding Office</i>	409,904
<i>Staff Termination Fees</i>	250,000
<i>Support to Vaccine Quality with WHO</i>	360,000
TOTAL	3,592,347