

GAVI Executive Committee Meeting
Geneva, Switzerland, 9 January 2004

FINAL SUMMARY REPORT

1 Convergence Study

- The Executive Committee welcomed the presentation by the consultants from the Center for Applied Research (CFAR) on study objectives, conceptual approach, early indications of what they have heard from the first set of interviews conducted during week of 5 January, and their next steps.
 - Study objective: The work will be done with the perspective that the context is a unique alliance. The consultant will present two to four options for better alignment between the GAVI Secretariat and The Vaccine Fund management, and an optimal architecture that best supports their strategic objectives and mission.
 - In designing options they will consider the following variables: Procedures, location, hosting, leadership, structure, and governance. Issues to be considered include: What is wrong/not working presently? What must be retained? What can be gained? What are the risks and costs of potential changes? What are the improvements and efficiencies that can help the alliance better use its resources to immunize more children?
 - Conceptual approach: to take into account that the work of GAVI/The Vaccine Fund may be changing, considering the longer-term perspective through 2015.
 - What has been heard:
 - A. GAVI/The Vaccine Fund is about the mission: to save children's lives and protect people's health through the widespread use of vaccines.
 - B. Sustainability is key; this is a long-term effort.
 - C. There must be a balance of vertical and horizontal focus; the more narrow focus of the alliance rests upon the broad base of the partner organizations.
 - D. Partners *are* the alliance and there are many types of partners.
 - E. There are no other organizations that can provide a benchmark for GAVI/The Vaccine Fund; however there are other partnerships and alliances that may provide useful insights in specific areas.
 - F. Success has been significant
 - G. Better coordination and sharing of information between the two structures is especially important to support: strategic planning and budgeting, communications and advocacy, resource mobilization, metrics for monitoring.
 - H. Recognizing the differences: especially in boards, tasks, 'customers', cultures, administrative status of employees. These can be helpful in achieving mission and prevent conflicts of interest.
 - Next steps:
 - A. Interview representatives of additional partners and additional representatives of partners already contacted
 - B. Interview representatives of other alliances
 - C. Review financial and other information about GAVI Secretariat and The Vaccine Fund management.

- D. Speak again with key stakeholders to test first assumptions and ideas.
 - E. Prepare report for GAVI and Vaccine Fund Executive Committees identifying options and the implications including costs and benefits.
- The consultants report to the executive committees, not the GAVI Secretariat and Vaccine Fund management. Dr Lee, as the GAVI EC chair, will act as the GAVI EC's focal point for the study; the consultants will provide him, and the Vaccine Fund EC Chair, an update midpoint in the study.
 - The terms of reference for the study should reflect the broader context for GAVI/The Vaccine Fund. However, it is recognized that the GAVI alliance has been most effective and efficient when its activities relate to the management of resources in The Vaccine Fund. This will not change, even as the GAVI alliance continues to evolve. Therefore we should build a structure that is flexible enough to adapt to the decisions that will be made in the future.
 - While we all need this feedback from the consultants to be as quick as possible, especially considering the timeline for the recruitment of the next GAVI Executive Secretary, we do not want speed to be at expense of a high-quality report.
 - The points raised in the memo to the Board from Carol Bellamy regarding this study are intended to be constructive. UNICEF considers the study essential and is committed to making it a success.
 - The potential benefits for convergence should be measured in two ways: by looking at the structures – e.g., improvements in operational efficiencies, communications and advocacy, and resource mobilization, and by looking at the programmatic functions – e.g., immunization coverage, improved supply situation, and other programmatic accomplishments.
 - While specific logistical and administrative details should not be addressed in this study, the issue of co-location, and in case co-location is preferred, where that would be, will be important for decision-making.
 - In future endeavors such as this study, GAVI should continue to maintain the balance required to abide by the formal administrative rules of UNICEF, without losing its demonstrated strengths of flexibility and agility.

2 Vaccine procurement

- The discussion covered two separate but related exercises: 1) the re-design of the Vaccine Provision Project (VPP) to manage vaccine demand projections, vaccine procurement and vaccine financing on behalf of the alliance; and 2) the development of a long-term vaccine procurement strategy for GAVI/The Vaccine Fund.
- 1) the re-design of the Vaccine Provision Project (VPP)
 - There is a general sense that the approach to vaccine forecasting, procurement and financing approved by the GAVI Board in June 2002 embodied in the VPP has not worked as well might have been hoped. As GAVI/The Vaccine Fund moves toward longer-term procurement strategies with more complicated scenarios, it will be important to have a structure that truly builds upon the strengths of the alliance.
 - In discussing the future of the VPP, several EC members expressed a preference for an independent, empowered manager that holds the VPP partners accountable for implementing required activities. However, WHO and UNICEF agree that their governance and institutional obligations would not make this feasible. Senior staff from WHO and UNICEF can only be accountable to their head of agency – not to a manager of an outside entity.
 - A document reporting a meeting the previous day between The Vaccine Fund, UNICEF Supply Division and WHO Department of Immunization was shared at the Board meeting. It recommended one approach: “a three-tier structure of accountability: the main level of

accountability should be at the Director level, with the Executive Committee overseeing the Directors' 'troika', through the principals of the three partners concerned." In this approach, the project manager "would be responsible for operational follow up with each of the partners and report to the directors' group."

- 2) Long-term vaccine procurement strategy
 - One of the most exciting aspects of a longer term Vaccine Fund is the potential for strategic procurement that ensures adequate vaccine supply at affordable prices. Before GAVI, a product would need to reach full maturation before it would be available in poorer countries. With GAVI, we are trying to change the norm so that we don't have to wait for full product maturation. That is the opportunity for GAVI to show unique impact – if within a few years we are able to bring new products to the poorest children in the world.
 - To fulfill this potential, GAVI must draw upon a whole range of expertise, processes, and abilities to develop robust projections, engaging industry as early as possible. Furthermore, as GAVI is attempting to create better incentives (e.g., predictability of demand, monetary) for industry to provide the vaccines needed most by developing countries, industry should provide GAVI partners with indications that they are working to 'meet us halfway'.

DECISIONS

The GAVI EC:

- 2.1 Requested the VPP partners to develop options for the future of the VPP for consideration by the EC. The options should represent a range – from one in which an independent, empowered VPP manager reports to the EC, to the one that was proposed by the "troika". The report, which should be submitted to the EC by end January, needs to include pros and cons for each option.
- 2.2 Agreed that the Director of UNICEF Supply Division, the Director of WHO Immunization, and the President of The Vaccine Fund should take the lead in development of the long-term procurement strategy over the next 3-4 months. Other GAVI partners and additional experts should also be involved as needed; Mercer Consulting was specifically mentioned. During the Executive Secretary's consultations after the meeting, Canada and Mozambique – members of the VPP Oversight Committee – voiced their interest in staying involved in these discussions.

3 Long-term investment strategy

DECISIONS

The GAVI EC:

- 3.1 Agreed that the summary framework for the long-term investment strategy for GAVI/The Vaccine Fund is a good initial guide for developing the framework further. The World Bank will continue to take the lead in developing the investment case framework; it should work with the Working Group report progress regularly to the EC – at its next teleconference and meeting.
- 3.2 Agreed that the five investment 'buckets' and ranges of investment amounts provide sufficient guidance for the work on the investment case framework to move forward, as long as it is understood that these are notional distribution of big pots of money. Each investment case will compete for funds within each bucket, and the notional pots may change over time.
- 3.3 Agreed that the strategy must consider how to strengthen health systems, and that performance-based indicators should also include those related to effectiveness of

partnerships, harmonization, global advocacy and political mobilization achieved as added value of the investment.

- 3.4 Requested the Secretariat to make the revisions to the paper discussed in the meeting [subsequently incorporated by the Secretariat] and continue developing this overall strategy in close consultation with the Working Group

4 Other business, next meeting/teleconference

- In a follow-up telephone discussion Canada emphasized the importance of providing EC documents, and where possible presentations, earlier so that members have sufficient time to share with their constituencies. Furthermore, documents should not be handed out at the meeting if they have not been previously distributed. [The Secretariat suggests a minimum lead-time of one week for distribution of relevant documents.]

DECISIONS

The GAVI EC:

- 4.1 Agreed to hold its next teleconference on Friday 20 February at 17.30 Geneva time.
- 4.2 Agreed to look into possible dates for its next meeting – The World Bank will not be available for the proposed dates of 19 or 20 March. The Secretariat will follow up to propose additional dates.