

GAVI Board Teleconference

30 March 2004

FINAL Summary Report

1 GAVI long-term strategy

- The transition for GAVI to longer-term thinking requires a great deal of consideration, consultation and partner buy-in. A range of difficult decisions need to be made, including
 - 1) What will be the main financial priorities for the Vaccine Fund?
 - 2) How will the necessary resources be secured?
 - 3) What procurement strategy should be adopted over the near and long term?
 - 4) What is the most suitable management structure for the alliance and the Vaccine Fund as we enter this new phase?
- A number of different activities have been initiated to prepare the GAVI partners to address the above questions. They are being focused on in this teleconference.

2 Investment case framework update

- The GAVI Board is responsible for two levels of decision-making regarding use of Vaccine Fund resources. The first level is general decisions about areas in which to invest, e.g., introduction of hepatitis B vaccine, or provision of AD syringes to improve immunization safety. The second level of decisions concerns funding requests by individual countries, e.g., provision of hepatitis B vaccine to a specific country.
- The draft investment case framework is a tool designed to help the GAVI Board make its first-level decisions about the best use of Vaccine Fund resources in the future. The current draft investment case framework is not designed to be used to make second-level, or country-specific, decisions about Vaccine Fund resources.
- On its 20 February teleconference the GAVI EC discussed the draft investment case framework in depth and endorsed the general approach taken by the World Bank team.
- As new investment cases are developed and presented to the Board, the Board will need to ensure that current investments are allowed to reach maturation. Furthermore, the decision-making process must be informed by an understanding of the potential for new resources.
- While some Board members felt that the proposed Independent Evaluation Committee would be important to provide the Board with objective technical expertise and advice, others raised concern that a multiplication of independent review/evaluation committees could create unnecessary additional bureaucratic layers and potentially undermine the Alliance's main added value of harnessing the strengths and experience of multiple partners in immunization.

DECISIONS

The GAVI Board:

- 2.1 Agreed that the proposed process looks reasonable and worthy of further discussion with the immunization and larger international health and development community over the next three months, for finalization by the Board meeting in July.

3 Measles investment case update

- In order to help the Board make an evidence-based decision on how the Vaccine Fund might invest in measles mortality reduction, measles partners are using the draft investment case framework to develop a concrete proposal.
- The development of the measles investment case will be a pilot test of the draft investment case framework, allowing for testing and refining the process and the documentation.
- The measles partners have experienced a slight delay in their timeline and will be ready to submit an investment case to the Board on 16 April.

DECISIONS

The GAVI Board:

- 3.1 Agreed to schedule a teleconference end April or early May to discuss the measles investment case.
- 3.2 Urged the developers of the measles investment case to clearly define GAVI's added value in measles mortality reduction efforts.

4 International Financing Facility (IFF) update

- The International Financing Facility (IFF), proposed by UK Chancellor of the Exchequer Gordon Brown, is intended to raise substantial additional financing to help meet the internationally agreed Millennium Development Goals. The IFF would package donor government aid commitments and issue debt in the capital markets on the basis of these commitments.
- The UK has approached GAVI and The Vaccine Fund to consider whether to use the Vaccine Fund to test the IFF principle. The aim now is to explore whether an IFF-like mechanism would make sense in the immunization field, and for GAVI and The Vaccine Fund in particular.
- The Vaccine Fund, UNICEF and WHO, with facilitation support from the Gates Foundation, have further analyzed the potential to pilot the IFF principles with an IFF pilot for immunization. They conclude that an IFF pilot for immunization in theory could enhance the predictability and stability of funding flows, better match expenditures to needs, and provide additional new resources for global immunization.
- The Vaccine Fund, UNICEF, WHO, and the Gates Foundation have formed a high-level working group to engage with the UK Treasury and others on this proposed initiative. The work being done on the UNICEF/WHO joint Global Immunization Strategy, as well as the learning and skills at the World Bank which is already undertaking an assessment of the broader IFF proposal, could be helpful in the further analysis work.
- The Board counselled caution about the initiative's prospects for success and suggested that donor sentiment should be explored as the IFF pilot for immunization is further explored.
- The next steps are:
 1. The Vaccine Fund, UNICEF, WHO and the Gates Foundation group will commence a dialogue with UK Treasury on the technical aspects of such a facility – defining potential scale, duration, and strength of commitment.
 2. The group will work with legal and financial advisors, including potentially World Bank staff, to develop and evaluate potential financing structures, and reach recommendations regarding optimal financing structuring.

DECISIONS

The GAVI Board:

- 4.1 Endorsed continuing exploration of a pilot IFF for immunization.

5 Update: convergence of GAVI Secretariat / The Vaccine Fund

- On its 20 February teleconference, the EC discussed the report submitted by the consultants, Center for Applied Research (CFAR).
- The EC decided not to recommend any of the structural changes recommended by CFAR at this time. Instead, it felt that the long-term strategic direction for GAVI and The Vaccine Fund should be agreed upon, prior to making any changes to the current structures.
- The EC did agree to the recommendations on procedural convergence, requesting that The Vaccine Fund and GAVI Secretariat prepare and submit to the EC a short-term work plan to strengthen collaboration and further harmonize their work.
- Developing a long-term strategy for GAVI and The Vaccine Fund will require significant thinking, creativity and discussion. To generate strong ideas and recommendations for the Board, the EC has decided to organize a strategic retreat in early June.

6 EC retreat – June 2-3

- An EC retreat will be held in Washington, DC on June 2-3. The meeting is intended to facilitate GAVI Board discussions at its July meeting so that the Board can reach closure on the important strategic issues at that meeting.
- Four areas will be covered (responsible partners in brackets):
 - 1) Long-term priorities for global immunization and the role of GAVI and alliance partners (The Gates Foundation);
 - 2) Resource requirements for immunization in general, and GAVI and The Vaccine Fund within that context (The Vaccine Fund);
 - 3) Long-term procurement strategy (UNICEF);
 - 4) Optimal structures and processes for GAVI and The Vaccine Fund moving forward, including the possible convergence of the GAVI Secretariat and The Vaccine Fund management and improved measures to engage broad alliance partners over time (WHO).
- A short (two-page) paper will be prepared for each topic. The papers will focus on the following:
 - Background and context of issues
 - Major areas of controversy, to encourage open and frank discussion
 - Structure for the discussion to keep it on track
 - Proposed actions and outcomes, keeping in mind that no decisions will be made by the EC but recommendations for GAVI Board decision.
- The convergence study consultants, Center for Applied Research (CFAR), have been retained to support in the pre-retreat planning process and facilitate the discussions of the retreat.
- Participants will be limited to EC members plus one staff. Vaccine Fund EC Chair Chip Lyons will also be invited. The small group will allow for more open and frank discussions. No decisions will be made at the meeting; a summary of the discussions will be prepared and distributed to all Board members.

DECISIONS

The GAVI Board:

- 6.1 Requested that the papers developed for the retreat be circulated to all Board members at least two weeks in advance of the retreat to allow all of the Board to provide input on the issues to be covered.

7 Technical Institute Board member

- Health Canada was the recommended nominee from the recruitment process conducted last November to replace the CDC. However, at the time, Health Canada was not sure whether it could commit to pay the necessary \$300,000 annual Board membership fee. A decision on the seat was deferred.
- The Secretariat has now been advised that Canadian CIDA will contribute the Board membership fee on behalf of Health Canada, in addition to paying the fees for the government of Canada to serve on the Board.

DECISIONS

The GAVI Board:

- 7.1 Accepted the nomination of Arlene King, representing Health Canada, to serve on the GAVI Board in the Technical Institutes seat through December 2006.

8 *In camera* session

- The proposed process and timeline for the recruitment of a new GAVI Executive Secretary was presented and discussed.

DECISIONS

The GAVI Board:

- 8.1 Agreed to the proposed recruitment process and timeline
- 8.2 Agreed that the Recruitment Committee should consist of WHO (Chair), UNICEF, World Bank, OECD Representative (Canada), Developing Country Representative (still to be decided), Developing Country Industry Representative, and the Chair of the Vaccine Fund Executive Committee.