



Report to the GAVI Alliance Board

21-22 November 2013

Report of the Chief Executive Officer

14 November 2013

Dear Board Members,

Our meeting in Phnom Penh comes at an important point for the Alliance, more than half way through the current strategy period. We are in the midst of an unprecedented acceleration in GAVI-supported programmes – with more than one vaccine launch every five days on average in the remainder of 2013 – while we also begin to cast our minds forward to GAVI's future. In Cambodia, we will discuss the key elements of our post-2016 strategy, as well as some more immediate strategic issues (e.g., polio, our new vaccine investment strategy, enhanced support for countries during the graduation phase). And we will update you on our progress since we last met and our continued efforts to ensure we fully deliver on our current strategy.

Taking stock of our overall progress

A number of Board members joined us for the **Mid-Term Review (MTR)** in Stockholm on October 30. As you know this meeting, whose theme was “Delivering Together”, was intended to report on results against the commitments we all made to achieve the 2011-15 strategy at our replenishment in London. Given the emphasis on mutual accountability, I was delighted by the level of attendance – with over 150 participants including Ministers and other senior leaders from partners, donors, implementing countries, civil society and manufacturers. We had a number of frank conversations about how we can improve our work, especially in areas where we are facing the greatest challenges. I believe that the open and transparent dialogue at the MTR demonstrates the strength and value of our Alliance. The meeting was co-hosted by President John Mahama of Ghana and Minister Hillevi Engström of Sweden, both of whom spoke powerfully about GAVI's impact. President Mahama has agreed to act as a Champion for replenishment and – given his country is currently projected to implement more GAVI programmes than any other during this period – I cannot think of a better spokesperson for the value of immunisation and the GAVI model.

The overall message of the MTR was positive. As I described in my email to Board members, we are on track to achieve or surpass all of our Mission Indicator targets, immunising over 243 million additional children and averting more than 3.9 million future deaths 2011-15. By the end of 2013, we will have vaccinated 145 million additional children since January 2011 and averted 2 million future deaths, which is one of the factors which has helped reduce child mortality in GAVI countries from 78 per 1,000 live births to 73 in just 2 years. By the end of this year, we will have reached a total of 440 million children and averted approximately 6 million deaths since GAVI was created in 2000. We heard from several implementing countries about the impact that this is having on the ground, including President Mahama who spoke passionately about the contribution of immunisation to health and development

in Ghana. Of course, as we have discussed previously, the impact of immunisation is broader than just saving lives – it also reduces morbidity, improves quality of life and boosts economic development. It has been estimated, based on methods from a study published in *Health Affairs*, that expanded immunisation in GAVI-supported countries could help prevent over 200 million cases of illness and avert more than US\$ 200 billion in illness-related costs 2011–2020.

We are also on track to achieve the majority of our 18 key performance indicators. We have already supported 67 vaccine introductions and campaigns since January 2011 and we expect to see this accelerate further with sustained demand for new vaccines. Nearly 80% of eligible countries have now applied for pneumo, over 70% for rota and nearly 50% for HPV demonstration projects. Moreover, experience to date shows that most countries reach DTP3 coverage levels for rota and pneumo within two years of introduction. However, coverage for these two vaccines is behind target on average across the GAVI 73 countries due to supply shortages and readiness issues, as well as disappointing progress on raising DTP3 coverage rates – and therefore pneumo and rota coverage – as I discuss further below.

We are also performing well against our targets for Strategic Goals 3 and 4. We are close to achieving our ambitious target of timely receipt of 100% of co-financing payments. As of August, 64 of 67 co-financing countries had fulfilled their 2012 commitments and co-financing payments are projected to be approximately US\$ 180 million 2011-2013, representing over 8% of GAVI non-campaign vaccine support to these countries. However, we know that 21 GAVI countries currently rely on donors to fund routine vaccines that are not supported by GAVI. This highlights both the importance of co-financing in encouraging countries to increase investment in immunisation, but also the importance of taking a holistic approach to the issue of financial sustainability and not just focus on GAVI programmes. We have also made substantial progress on Strategic Goal 4 with the cost of fully vaccinating a child with penta, pneumo and rota falling 35% 2010-2012 and further progress this year, including a substantial reduction for HPV and a new lowest price for penta.

However, the purpose of the day was equally to discuss where we are not on track. We are behind on Strategic Goal 2 where we have not seen adequate improvements in average coverage and drop-out rate across the GAVI 73 countries. And while we are close to meeting our target on equity (which measures wealth-related inequities), we know this masks broader equity challenges that need addressing. I shared many of the actions we are taking to address these challenges, and some encouraging new data which suggests these are starting to have some effect. We also heard a strong message from MTR participants that GAVI needs to do more to ensure sustainability, with over 20% of GAVI-eligible countries having entered the graduation track, and this is a topic for discussion in Cambodia. We had rich discussions on all of these issues and potential opportunities for GAVI to up its game going forward, which will feed into our thinking as we develop our 2016-2020 strategy. We received a clear message that GAVI needs to be ambitious in developing that strategy; that we face big challenges and cannot rely on past successes alone; and that donors are looking for us to continue to innovate how we do business.

We also heard that we need to do a better job of communicating to the broader public in donor and implementing countries on the work GAVI is doing, raising awareness of the value of immunisation and ensuring a wider level of support for our mission. We

have already taken a number of steps in this direction, including redesigning our website to make it more accessible and engaging in English and French, increasing our media and social media profile (the number of press articles referencing GAVI doubled between Q3 2012 and Q3 2013 and we had high-profile coverage on many television news outlets including the BBC, PBS, BFM TV in France, and ABC and Channel 7 in Australia). We are also working with Matching Fund partners including Comic Relief and the Lions Club to raise awareness of GAVI and immunisation. In the run-up to MTR, Save the Children and ACTION published high-profile reports on GAVI's progress and we have partnered with the Global Poverty Project (GPP) to educate young people about the importance of GAVI and immunisation. Continuing to raise GAVI's profile will remain a priority, especially in the lead-up to replenishment.

Country progress

Our ability to fully deliver on our 2011-15 targets will depend heavily on progress in a few large countries. I was both concerned and encouraged by my visit to **Nigeria** in July. According to the latest WHO/UNICEF data, Nigeria had the lowest DTP3 coverage of any GAVI country in 2012, following significant declines over recent years. However, the Government and our partners are working hard to address this situation and I saw some encouraging signs of progress. I heard strong commitment from senior officials, including Ministers and Governors, to improve the situation and I was encouraged by the ambitious targets in Nigeria's Routine Immunisation Strategic Plan which was launched last week. To support the Government in its efforts, we have committed more money to Nigeria than any other GAVI country over the next five years, have developed a tailored approach to target its specific challenges and have already reprogrammed \$50 million of HSS and ISS funds to target key bottlenecks. We are collaborating closely with our partners on the ground, especially UNICEF, the Gates Foundation and UK Department for International Development (DFID), to strengthen the supply chain through system redesign, upgrading equipment and exploring outsourcing of logistics services. Nigeria also has an opportunity to harness the substantial resources of the polio programme to strengthen routine immunisation (RI). I visited the Polio Emergency Operations Centre and heard about some of the initial steps being taken to strengthen RI as part of the Polio Endgame – though as I emphasised to their team, much more needs to be done to turn rhetoric into practice. It is critical we create a routine immunisation programme that is strong enough to complete the eradication of polio, and to ensure Nigeria remains free of the disease once campaigns end.

Progress in **India** will be another critical factor in determining our impact through 2015, given the size of their birth cohort. As you will remember, at our last Board we discussed extending GAVI support to enable national roll-out of pentavalent vaccine (beyond the 8 States that have already introduced). India's National Technical Advisory Group for Immunisation (NTAGI) has now approved national scale-up and we recently received an application, which will be reviewed by the Independent Review Committee (IRC) early next year. If approved, India plans to launch a phased scale-up to remaining States in the third quarter of 2014 with GAVI support, and will fully self-finance from January 2016. NTAGI has also asked a sub-committee led by the Indian Council for Medical Research to prepare a report and recommendations on the potential introduction of rota. This is likely to take six months, meaning India could make a decision on introduction of rota in the second half of 2014. Finally, India has satisfied clarifications from the IRC for their Health System Strengthening (HSS)

application. We are finalising a Partnership Framework Agreement with the Ministry of Health, and Memoranda of Understanding with partners, and expect to disburse funds this year. These funds will be used to strengthen routine immunisation and address key bottlenecks in States with less than 60% DTP3 coverage.

Progress in India has occurred against a backdrop of continued high-profile anti-vaccine advocacy in the media and courts. We have strengthened our efforts across the Alliance to advocate for immunisation and new vaccine introduction in India, including active intervention from WHO and UNICEF, articles in the Indian media and the planned launch of an Indian Advisory Council of high-profile champions next year. The issue of adverse events following immunisation (AEFIs) – and the potential impact on public perceptions of vaccines – is a significant challenge in many countries and will only grow as we support countries to roll-out more vaccines. While all available data continue to validate the safety of vaccines – and the adverse events reported in India were demonstrated to be unrelated to immunisation – it is clear from recent events that unsubstantiated rumours can spread quickly and globally and have a real impact on programmes. With our partners we will continue to monitor this issue closely and pro-actively communicate on the importance and safety of vaccines.

Indonesia is another large country that only introduced penta recently. It is therefore exciting that in August, Indonesia became the 72nd country to introduce the vaccine, using an innovative five-dose vial from a local manufacturer (Bio Farma). We have worked with Indonesia to accelerate their scale-up of penta relative to their original plans and previous vaccine launches. **South Sudan** is expected to become the 73rd – and final – GAVI country to introduce penta in the first quarter of next year. This will be a critical milestone, moving Hib from a “new” vaccine in most GAVI countries to a “routine” one in under a decade. I am also delighted that some of the most vulnerable children in South Sudan – in Yida refugee camp – are now receiving pneumo after GAVI helped Médecins Sans Frontières access reduced pricing for the vaccine.

In June, the Executive Committee approved support for a measles campaign in **Pakistan**. The Secretariat has since made 4 visits to the country with partners to help prepare a successful campaign that strengthens routine immunisation. Progress was delayed 3 months while the Government appointed a new Federal EPI Manager after the May 2013 election. With the appointment of a new EPI Manager, who has dual responsibility for routine immunisation and polio and has made clear his commitment to a successful campaign, we are seeing some progress including the creation of a task force (with in-country Alliance partners) to oversee the campaign and evaluate its impact on routine immunisation. The Government is mobilising funds for the 6-10 year-old age group (GAVI funding will be targeted to the under-5 age group only). The Ministry of Finance approved the release of \$4.2 million in JICA funds for vaccine procurement and is processing the EPI Programme’s request for a further \$20 million for operational costs. The Provincial Governments of Sindh and Khyber Pakhtunkhwa will provide additional funding. Given this progress, we expect the measles campaign to be launched in the second quarter of 2014 (which will be after a short-term increase in polio eradication activities following the recent outbreak in Syria).

We continue to strengthen our **engagement with countries** to ensure we are fully responding to their needs and effectively stewarding GAVI resources at country level. This will become even more critical with the planned rapid introduction of inactivated polio vaccine (IPV) under the Polio Endgame, to ensure that polio eradication efforts

strengthen RI systems and that IPV introduction does not adversely affect other vaccine launches. As you know, we have increased the number of Country Responsible Officers to ensure we have capacity for meaningful engagement with our partners and the government in every GAVI country. We have also been engaging in WHO regional meetings at a senior level. I attended the AFRO meeting in Brazzaville, where GAVI was on the plenary agenda, while Helen attended EMRO and we had leaders from the Executive Team at both PAHO and SEARO. These visits provided an opportunity to hear the perspectives of Ministers and senior officials from many implementing countries, provide an update on GAVI and answer questions, and to conduct consultations on our next strategy. We also recently launched a regular country bulletin to help improve the flow of information to countries. This is available on our website.

I have spoken at length about the importance of improved **data** to better manage immunisation programmes and track performance. Building on the data summit we convened in January this year, we have made several major investments with partners to help countries improve data quality and service readiness. Together with the Global Fund and WHO, we issued a jointly funded RFP for service providers – regional and in-country institutions where possible – to help assess and improve data quality and country readiness to deliver immunisation and other health services. We are also in the process of integrating elements of the Immunisation Data Quality Assessment tool with WHO's Service Availability and Readiness and data verification tools. By pooling our resources with partners and adopting a joint approach, we have been able to roll-out these assessments faster than would be possible with GAVI resources alone (i.e. more countries, more regular repetition), and also ensure a more harmonised approach for countries.

We are also scaling up another initiative to improve data, the full country evaluations, in Bangladesh, India, Mozambique, Uganda and Zambia. Conducted jointly with the Institute for Health Metrics and Evaluation, PATH and local university partners, these triangulate data across multiple sources including health facility surveys, household surveys, verbal autopsies, vaccine effectiveness studies and biomarkers to assess immunological evidence of effective vaccination as well as national and sub-national estimates of coverage, equity and programme performance. Both of these efforts will substantially improve data quality and availability and enable us to better target key bottlenecks to improving coverage and service delivery. While these efforts are exciting and demonstrate significant progress, we still have a long way to go to ensure availability of universal, robust, real-time data and this will likely be a renewed focus for GAVI as part of our next strategy.

Other developments

As you know, a number of countries have had to delay roll-out of pneumococcal and rotavirus vaccines due to **supply** shortages so I am pleased to report that we have received positive news from suppliers of both vaccines during this period. The 3rd AMC supply agreement provided an additional 500 million doses of pneumo over 10 years, as well as securing the first decrease in tail price from both manufacturers, resulting in savings of up to \$157 million over the duration of the contracts (2013-24). The production problems faced by one manufacturer, which I previously reported to the Board, have now been resolved, although unfortunately these delays have meant a cohort of children did not get vaccinated. For rota, the manufacturer of countries'

preferred product confirmed they can provide an additional 4M doses in 2014, enabling us to bring forward several introductions. This was the result of close collaboration between Alliance partners and the manufacturer, who was able to accelerate capacity expansion plans.

Another important milestone was the prequalification of the Chengdu Institute of Biological Products' **Japanese Encephalitis (JE)** vaccine. This is the first product from a Chinese company to be prequalified by WHO, and reflects the commitment of the manufacturer and strong support from WHO, PATH and the Gates Foundation. We hope to begin procurement soon, depending on the Board's decision on opening a window for JE, in which case Chengdu will become the 13th manufacturer of a GAVI-supported vaccine (up from 5 in 2001). This is a significant milestone for the global vaccine market and opens the door for more potential Chinese suppliers.

You will all be aware from my email in October that the Directing Council of the Pan American Health Organisation (PAHO) recently passed a resolution re-affirming the Revolving Fund's **Lowest Price Clause**, asking the Director to review past waivers and requiring any further waivers to be evaluated by the Directing Council. This has potentially significant implications for the GAVI model as it challenges the principle of tiered pricing whereby countries pay prices according to their national income. It could also affect our efforts to secure favourable prices for GAVI graduates (including those from the PAHO region) as well as other lower middle income countries. We are working closely with PAHO and partners to try to resolve this issue and I will provide an update at the Board meeting. Separately, we have agreed to form a high-level working group with the Global Fund, UNICEF, UNDP, UNITAID and the World Bank to advocate for a clearer global tiered pricing framework and principles.

We have continued to engage closely with both existing and new **donors** during this period as we prepare to kick-start efforts towards replenishment (see below for more details). I visited a number of key donors since our last Board including the UK, Norway, US, France, Italy, Sweden and the Gates Foundation. I also hope to visit Australia, the Middle East and UK again before the end of the year. Dagfinn and Helen also visited a number of other donors including Germany, the European Commission, Japan and Korea. Several donors have confirmed or made new commitments during this period including the US, which provided a contribution of \$138 million for 2013 (reduced from \$145 million due to the sequester), Sweden which increased its commitment from \$80 million to \$129 million for 2013-14, Korea which quintupled its commitment with a new pledge of \$5 million over 5 years and the OPEC Fund for International Development, which signed a commitment for \$1.1 million. However, we are concerned that there are still some outstanding pledges for 2013, and a number of donors have still not pledged for 2014 and 2015. We will continue to actively engage those governments to secure their commitments.

We have also received new contributions to the **GAVI Matching Fund**, including \$30 million from the Lion's Club International Foundation (which will be matched by the Gates Foundation and DFID). The partnership with Lions is exciting not just because of the significant financial contribution, but also because of the substantial advocacy and social mobilisation capabilities of Lions' 1.35 million members, including many in GAVI countries. I am excited by the potential impact of this partnership and delighted that Wayne Madden, Chairperson of the Lions Clubs International Foundation and Past International President of Lions Clubs International, will join us at the Board.

This brings the total amount raised through the Matching Fund to approximately \$150 million (including match) from 12 partners in under 3 years. In July, **IFFIm** successfully executed its largest bond issuance since its inaugural bond in 2006, with \$700 million raised from buyers on five continents at a highly competitive rate, and below the weighted average borrowing cost of IFFIm donors. IFFIm continues to be an important element of GAVI's long-term funding strategy, having disbursed \$2.3 billion for GAVI programmes as of October 2013. Unfortunately, as you will have read in my email last week, Standard & Poor's downgraded IFFIm by one notch from AA+ to AA, reflecting the recent downgrade of a key IFFIm donor. We have been actively managing this with the IFFIm Board and the World Bank, and do not expect this development to materially impact the amount of funds available to IFFIm and GAVI.

Finally, I wanted to note three sources of external recognition for GAVI during this period. Firstly, the UK updated its Multilateral Aid Review (MAR) which confirmed that "GAVI continues to be a high performing institution providing a very cost-effective health intervention" and was complementary about progress since the 2011 MAR. GAVI was also recognised in Publish What You Fund's Aid Transparency Index, where we were ranked second among all the development institutions assessed (up from 35th in 2011). Transparency is a growing issue on the global policy agenda. It was the central theme of this year's G8 summit and, as the ATI Report observes, 'transparency is now seen as a key pillar of development - a necessary condition to enable effectiveness, accountability and social change'. The Annual Progress Report is an important tool in our efforts to be transparent, so we were also delighted to be awarded a gold medal at the 2013 ARC awards for best annual report in the non-profit category (Health and Education).

Looking forward

At the same time as we are focused on managing the acceleration of our current programmes, we are also exploring a number of major strategic questions which will shape GAVI's future both in the immediate term and post-2015. The breadth and complexity of these issues have contributed to a very full Board agenda in Cambodia and we are fortunate that many have already been the subject of robust discussion in our Board committees. The Policy & Programmes Committee's (PPC) October meeting had a particularly heavy agenda and I would like to thank Richard Sezibera for his excellent stewardship of its discussions in his first meeting as Chair.

We are now at the mid-point of the process to develop our **2016-2020 strategy**. As you will recall, in our last Board meeting Helen provided an overview of the strategy development process and some early insights based on her discussions with individual Board members. Since June, the team has conducted a detailed analysis of the future landscape in which GAVI will be operating, conducted a broad range of strategy consultations and synthesised the potential strategic shifts that emerged. These have already been shared with the Executive Committee and PPC, who provided guidance on potential shifts. We are now seeking the input of the full Board before translating the agreed shifts into a full strategy for discussion during our April retreat and for approval at the June 2014 Board.

While we are still early in the strategy process, our consultations have encouraged us to remain focused on GAVI's core mission. At the same time, some significant differences between "GAVI 4.0" and the current strategy period are already emerging. Whereas 2011-15 was a period of massive acceleration in vaccine introductions,

2016-20 will focus more on ensuring the benefits of those vaccines reach every child and ensuring the sustainability of expanded immunisation programmes. From 2011 to 2015, we will have supported nearly 100 introductions of pentavalent, pneumococcal and rotavirus vaccines. We will likely support just over a third of this number 2016-2020 given current eligibility criteria. Moreover, while we will continue to roll-out HPV and MR, there are unlikely to be many other major vaccines to add to GAVI's portfolio pre-2020. Malaria is the major potential exception but the PPC felt that while there is a strong case for GAVI support, it is too early to make a firm decision.

Instead, the focus of 2016-2020 will likely be on scaling up coverage to reach every child with the full schedule of recommended vaccines, and ensuring the sustainability of immunisation programmes. This may be slightly less glamorous – and likely more complex – than adding many new products to GAVI's portfolio. However, it builds on our proven model and results to date to significantly increase GAVI's impact. Given our current trajectory, we are projected to immunise 25% more children and avert 50% more deaths 2016-20 than we have achieved 2011-15. We will be saving more lives faster with nearly 6 million deaths averted in just five years. We will also ensure nearly 50% of children in GAVI countries are fully immunised with all 11 WHO-recommended vaccines, as opposed to about 5% today. In line with the feedback we received from donors at the MTR to be ambitious, I would challenge us to accelerate this trajectory further during the next strategy period, and to reach even more children. In my view, our aspiration should be for every child in every GAVI country to be fully immunised, ensuring equity in access for the world's poorest children.

Over this time period, we are projected to see the GAVI birth cohort shrink by 50% as many wealthier countries, including some with large populations, graduate from GAVI support. GAVI's focus will increasingly be on the weakest states, many in Africa. Reaching every child in these countries will require deeper, and more tailored, engagement to address systemic bottlenecks such as weak supply chains, poor data and to strengthen political commitment to immunisation. These are complex challenges and we will need to consider new ways of working at both global and country level. However, these investments in health systems will put countries on the escalator to self-sufficiency, moving even the poorest countries closer to achieving the World Bank's goal of eradicating extreme poverty by 2030.

At the same time, we need to ensure the sustainability of immunisation programmes – and their continuing expansion to reach the unreached – in those countries that do “graduate” from GAVI support. To do so, GAVI may choose to play a continued role in supporting countries which would not be eligible under our current criteria (for example providing technical support, or facilitating access to specific prices). These are some of the key issues we will need to tackle as part of our strategy.

Of course, many of these issues are already pressing and we have already begun work to address them (recognising that we may enhance our approach during the next strategy period). I have already described some of the on-going work to strengthen routine immunisation data and this will likely be intensified as part of the new strategy. We are also working on developing our **supply chain** strategy with a focus on four major areas for improvement – cold chain equipment, system design, people & practice and data for management. I have been pleased by the level of cross-Alliance collaboration on this work, which has been driven by a Task Force of Alliance partners. The supply chain has risen up the agenda across the Alliance: for

example, SAGE discussed the issue earlier this month, there has been substantial cross Alliance work in Nigeria as described above and the East African Community is working with its members to strengthen their supply chains, supported by the German government. The PPC reviewed the preliminary Supply Chain Strategy framework and confirmed it is a high priority for the Alliance. They asked for additional work and recommended increased funding to support the completion of the full strategy in time for the next Board meeting in June 2014.

We are also bringing to the Board a paper on **graduating countries**. As discussed above, GAVI's eligibility criteria and engagement with graduating countries will be a critical component of the discussions on our post-2015 strategy. However, the issue for discussion at this Board meeting is how GAVI strengthens its support to countries that are entering the graduation phase. This is a pressing question as 17 GAVI countries have already started graduating – with another 3 due to do so in January 2014 - posing the first major test of our graduation model. We have identified, based on engagement with these countries, a number of targeted areas where they need support to ensure the sustainability of their programmes. Discussions on this at the PPC were cut short because of a scheduled joint PPC/AFC meeting. Given the urgency of these proposals and concerns that there had not been time to fully discuss them, the PPC had a further conference call this week to reconsider some parts of its decision. Richard Sezibera will update you on the outcome of that call at our meeting.

This Board will also make an important decision on GAVI's role in supporting the strengthening of routine immunisation and IPV introduction as part of the **Polio Endgame**. There have been a number of unfortunate developments in relation to eradication efforts since our last meeting – with a number of outbreaks, most recently in Syria and the Horn of Africa. The impact on projected eradication timelines is still unclear but this highlights the fluidity of assumptions around the eradication effort. As requested by the Board, our team has worked hard – in close collaboration with the Global Polio Eradication Initiative – to ensure that GAVI is ready to support introduction at the pace called for under the Endgame, based on the current best information available. But we also need to keep in mind the unprecedented scope of the ambition and required acceleration – in the first two years of this strategy period, countries launched 55 GAVI-supported vaccines and in 2013, we expect a new record of 45 launches. This is expected to rise to 71 in 2014 and 99 in 2015, of which approximately 40% will be IPV (based on initial IPV demand forecasts).

We have discussed our proposed approach with the donors who contribute to both GAVI and GPEI, and received clear signals of their support, drawing upon resources from the Polio Endgame budget to cover all GAVI's costs. While introduction of IPV will undoubtedly be an additional burden on GAVI and on our implementing countries, I believe that it is an unprecedented opportunity to harness the substantial capabilities of the polio programme (e.g., in micro-planning, social mobilisation and surveillance) to strengthen routine immunisation services, especially in some of the countries with the weakest routine immunisation programmes. Moreover, recent outbreaks reinforce the importance of strengthening routine immunisation and ensuring high routine coverage of polio as well as other vaccines if we are to rid the world of the scourge of polio once and for all.

2014 will also be a critical year for GAVI's next **replenishment**. After the Board meeting, this will become a major focus for me and the GAVI leadership team. We

are still finalising the timing and searching for a replenishment host in discussion with our key donors. Changes in many of our key donor markets – including recent elections or Ministerial changes in Norway, Germany, Australia, Canada and Sweden as well as the election in the UK in early 2015 – and other high-profile replenishments have made this substantially more complex. However, our current expectation is that the replenishment meeting will take place in late 2014 or early 2015. The resource mobilisation Board paper describes our high-level approach to prepare for replenishment and the key milestones we anticipate over the next 12-18 months.

We have not yet finalised the work to prepare our replenishment scenarios, as these will need to reflect the latest version of the strategic demand forecast – which will be finalised in April – as well as the Board's decision on the strategy and vaccine investment strategy (VIS). However, current projections suggest that we will require only a modest increase in the average level of annual donor contributions 2013-15 to fully fund our current portfolio of vaccines (including additional introductions post-2015). In addition, we may require some incremental resources to fund the VIS and any other new programmes that the Board approves as part of our 2016-20 strategy. I believe that the total ask will therefore be realistic and achievable, although I fully recognise the challenges we will face given fiscal constraints and competing donor priorities. I am planning to take an active leadership role in replenishment and will devote an increasing share of my time meeting with our donors and advocating for GAVI over the course of 2014. We will of course also rely heavily on our champions and advocates to help make the case for GAVI including, importantly, members of the GAVI and IFFIm Boards. I look forward to beginning the discussion on how we can best engage Board members in replenishment in Cambodia.

One important element of our replenishment strategy will be **innovative finance and private sector partnerships**. Innovative finance has been a powerful force in GAVI's success to date, contributing significantly to our ability to raise new resources, shape vaccine markets and engage the private sector. As we devise our new strategy 2016-20, we will review the role that innovative finance and the private sector can play in further enhancing our capabilities. A key focus will be how we further engage the private sector – at both global and country level – to address the core challenges we face in the next strategy period (such as data, supply chain, advocacy and resource mobilisation). The GAVI Matching Fund has been successful in attracting financial resources from the private sector but we believe there is a significant opportunity to enhance the role of private sector partners in the Alliance by focusing on those with the skills to address our key challenges and taking advantage of their capabilities. The innovative finance strategy will also define the role and future of our existing innovative finance products (IFFIm in particular is likely to remain critical and will need to be replenished) and propose potential new products for Board consideration.

I also wanted to let the Board know we expect the GAVI Fund Affiliate to be officially wound up before the end of the year. This is a positive development, which substantially streamlines our overall governance structure. It also means that the GFA Board will be disbanding. We would like to thank the GFA Board members, Wayne Berson, André Prost, Bo Stenson and Stephen Zinser for their contributions to the success in accelerating GAVI's vaccine programmes through IFFIm proceeds.

Secretariat update

At our meeting in June, I mentioned we had just received the results of our latest **staff** engagement survey. We had an excellent response rate (95%) and the results confirmed that Secretariat staff remain highly engaged, proud and strongly supportive of the goals of the organisation. Respondents identified strengths in terms of communication, organisational effectiveness and line management, where we were ahead of the international organisation benchmark. However, the survey also indicated that a number of staff are feeling very stretched by the current pace of work and that GAVI offers insufficient professional development opportunities. Both of these factors have implications for staff retention. We have requested a small increase in resources (including some for specific HR initiatives) as part of the 2014 budget and business plan to address the most pressing resource gaps, and our HR team are rolling out a number of initiatives to address the issues raised. We also continue to look for opportunities to improve the efficiency of how we work. We devoted much of our most recent Leadership Team retreat to discussing how we can better prioritise and manage the workload within our existing resources.

One critical opportunity to improve the efficiency and effectiveness of the Secretariat, and to make better use of our resources, is to improve our **knowledge management** practices. We can do a significantly better job of managing our knowledge in many areas including country and programme data, relationship management and joint planning. I was surprised to learn that GAVI does not have strong knowledge management processes given we are fundamentally a knowledge based operation and addressing this has been a priority for me. I am therefore delighted that we have now developed a comprehensive knowledge management strategy and will launch the first phase of implementing our new customer relationship management (CRM) tool in December.

One of the reasons that knowledge management is so important is that so much of our expertise and so many of our relationships currently rest with individuals, and are lost as staff leave. I am particularly aware of this issue right now as we are preparing for changes in a number of **senior staff**. As you know, Helen recently announced her intention to retire as Deputy CEO next April and we have formally advertised for her replacement. We are also at an advanced stage in recruiting a new leader of Policy & Performance following Nina's decision to return to the United States. While it is always challenging to lose such high-quality leaders, this is also an opportunity to bring in new people and new ideas as we shape GAVI 4.0. In this context, I am happy to announce an important recent appointment, with Dr. Bruno Bouchet joining GAVI as Director of Health Systems Strengthening. Dr. Bouchet – who will attend the Board meeting in Cambodia – is currently Director of the Health Systems Strengthening unit at FHI 360 in Washington D.C and brings more than 20 years of experience of health system strengthening work in developing countries to this critical position.

At our Board meeting 12 months ago, we discussed the possibility of the Secretariat re-locating to a new **health campus** being constructed by the Canton of Geneva, which will likely also house the Global Fund. Unfortunately, the Canton has encountered unforeseen problems which will delay the project, potentially beyond the end of our current lease. Since the Secretariat is already facing space constraints in our existing building, we are evaluating alternative options including renting additional space near our current location, or moving to an alternative building in Geneva.

Twenty years ago, I had the privilege of being part of the core team that wrote the 1993 World Development Report: Investing in Health. This influential report made the case that investing in health improved economies and was a good buy. This year, on its 20th anniversary, the Lancet convened a Commission for Investing in Health chaired by Dean Jamison and Larry Summers on which Flavia and I were included. The Commission's report will be launched on December 3rd in London with four key messages: There is a once in a lifetime opportunity for a "grand convergence" where health outcomes in poorer countries can reach those of the best performing middle income countries within a generation; that new measurements demonstrate health investments have been undervalued and that they have an even more profound economic effect than we had realised; that a lack of health insurance has resulted in over 100 million people being tipped into poverty and progressive universalism of health care systems can help address this; and finally, that health research and development is a global public good which is a good investment for donors. The report highlights the importance of immunisation in obtaining these health outcomes, the role of immunisation in bridging the divide between communicable and non-communicable diseases, and the importance of the fully immunised child indicator.

Last time the Board met in South East Asia was in 2009 in Hanoi. I am excited by how far we've come, the huge impact we have had and the substantial acceleration over the last four years. Nonetheless, we still face significant challenges and have a long way to go to ensure that every child benefits from the benefits of immunisation. The decisions we make at this Board meeting will shape how GAVI addresses those challenges. I look forward to seeing you in Cambodia for what I expect will be a very exciting meeting.