

SUBJECT:	A NEW GAVI ENGAGEMENT FRAMEWORK FOR IMPLEMENTING THE 2016-2020 STRATEGY
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Agenda item:	10
Category:	For Decision
Strategic goal:	Affects all strategic goals

Section A: Overview

1. Purpose of the report

- 1.1 This report proposes as a replacement of the Business Plan a new structure for the coordination and funding of Gavi Alliance partners, based on the input provided through the extensive engagement of Board members and constituencies since June 2014.
- 1.2 This report builds on the principles approved by the Board in December 2014 to inform the new structure of the Business Plan as well as the concepts that were presented and broadly endorsed by the Board at its retreat in March (full paper available on myGavi). Subsequently, the Programme and Policy Committee (PPC) discussed the proposed structure at its meeting in May including early thinking around accountability mechanisms.

2. Recommendations

- 2.1 The Board is requested to:
 - (a) **Approve** the new Gavi Engagement Framework, the structure for the Partners' Engagement Framework (PEF) and the governance approval process for the PEF and Secretariat Engagement as set out in sections 6 and 10 of Doc 10.
 - (b) **Approve** commitments in an annual amount of US\$ 31.2 million for the Foundational Support for partners in the years 2016 and 2017 and, subject to satisfactory performance, in the annual amount of US\$ 31.2 million for the Foundational Support for partners in the years 2018-2020. The detail by partner of the annual funding commitment of US\$ 31.2 million is as follows:

- (i) WHO: US\$ 19.3 million;
 - (ii) UNICEF: US\$ 9.3 million;
 - (iii) World Bank: US\$ 1.7 million;
 - (iv) CSO constituency: US\$ 0.5 million; and
 - (v) CDC: US\$ 0.4 million.
 - (c) **Approve** annual commitments in an amount of US\$ 5.2 million for the Foundational Support for IPV introduction in the years 2016 and 2017 for WHO and UNICEF as follows:
 - (i) WHO: US\$ 3.5 million; and
 - (ii) UNICEF: US\$ 1.7 million.
- 2.2 Board members whose agencies or constituencies are recipients of these funds will not participate in voting on these expenditures.
- 2.3 To assist the Board in its decision making, the Audit and Finance Committee in May 2015 reviewed the financial implications of the recommendations above. Based on the current financial forecast for the Gavi Engagement Framework expenditure in 2016, the Committee confirmed that there are sufficient qualifying resources that exist and up to US\$ 40 million for the Foundational Support for partners for 2016 can be approved by the Board.
- 3. Executive summary**
- 3.1 The concepts proposed in this paper were developed in close collaboration with partners, including through two workshops in November and February, and multiple engagements with partners' management teams. The Board, and its Committees, have had several opportunities to discuss the proposed architecture, including in a dedicated session at the Board Retreat in March and a discussion at the PPC in May.
- 3.2 In the proposed structure, the Gavi budget would be presented in a way that would enable a complete view of Alliance engagement and investments. This overall picture would be called the Gavi Engagement Framework (see Annex A) and would be comprised of three components: 1) Programme expenditure; 2) Secretariat Engagement; and 3) Partners' Engagement Framework (components 2 and 3 currently make up the Gavi Business Plan).
- 3.3 The new structure for the Partners' Engagement Framework has been built along the following principles:
- (a) Ensuring a country-centric process;
 - (b) Adopting a zero-based budgeting approach; and

- (c) Seeking ways to enhance accountability for outcomes at the country level.
- 3.4 The activities and funding associated with the Partners' Engagement Framework (PEF) would be divided into three main streams:
 - (a) Foundational Support: Comprised of long-term support provided to key partners to allow them to play a lead role in the programmatic areas where they have a clear institutional mandate and which will continue to be relevant for the entire strategic period;
 - (b) Targeted Country Assistance: Comprised of resources provided to partners for the technical assistance (TA) provided by partners to specific countries; and
 - (c) Special investments in strategic focus areas: Potential investments in programmatic areas which have been identified as critical in the next strategy period and call for innovative approaches beyond business as usual.
- 3.5 To enable partners to make the necessary adjustments to their structures and HR decisions with longer time horizons ahead of the start of the 2016-2020 period, the Board is being asked to approve the Foundational Support component at this meeting instead of in December when the remainder of the budget will be considered. This five-year funding commitment from Gavi represents less than 30% of the funding that partners received in 2015, and will allow partners to play a lead role in the programmatic areas where they have a clear competitive advantage.
- 3.6 The Foundational Support would be allocated as follows with full detail on staffing and activity cost provided to Board members on the myGAVI website:
 - (a) **WHO:** Foundational Support will cover WHO's global and regional role for areas related to setting norms, standards and policies, development of global / regional guidance and partner leadership and coordination. Specific programme areas in which WHO will play a critical coordinating role include areas such as vaccine introduction, health systems strengthening, supply chain improvements, data quality improvement.
 - (b) **UNICEF:** Foundational Support to UNICEF will cover its coordination and leadership function at the global and regional levels in programmatic areas such as supply chain management, social mobilisation, immunisation inequities, and vaccine introduction.
 - (c) **World Bank:** The Foundational Support to the World Bank will provide resources at the global level to be able to leverage their network and expertise in the areas of sustainable financing for immunisation, health systems strengthening and programme monitoring.

- (d) **Civil Society Organisation constituency:** The proposed Foundational Support will cover the funding that was provided so far through the Gavi Secretariat for the constituency's global coordination and communication role, representation of CSOs at the Gavi Board, and convening of CSO voices throughout the development of Gavi policies and programmes.
 - (e) **CDC:** The Foundational Support will cover staff at the headquarter who will facilitate the coordination of Gavi and CDC's activities and enable better leveraging of CDC's investments in the areas of disease surveillance, immunisation data quality, vaccine effectiveness studies and vaccine safety.
- 3.7 The performance management processes for each partner will be further developed as the remaining pieces of the Partners' Engagement Framework are developed. It will include:
- (a) **A new set of strategy indicators:** to monitor the outcome and impact of Gavi support to country.
 - (b) **A set of deliverables for each partner funded under the PEF:** Most of the deliverables will be country-specific and reflect the assistance committed by partners as part of the PEF.
 - (c) **A set of Alliance Key Performance Indicators (KPIs):** To reflect the effectiveness and efficiency of partners contributing to Gavi's mission. This would incorporate all constituents of the Alliance who contribute to aggregate performance including the Secretariat, partners, donors, CSOs, and national governments.
 - (d) These elements will be reviewed on a regular basis by a **new PEF Management Team**, composed of senior staff from the Secretariat, implementing partners under the PEF, and co-investors in Gavi, Gavi partners, and immunisation-related activities in country. This group will advise the CEO on funding allocation, engage with partners on their performance, and ensure coordination amongst main funders/providers of technical assistance in the field of immunisation.

4. Risk implication and mitigation

- 4.1 The main risks associated with the transition to a new structure include:
- (a) Approaches remain 'business as usual': There is a risk that although the Gavi Board approves the new funding structure for partners, that partners do not adapt their approaches to the new demands of the strategy 2016-20. This risk will be mitigated by the new accountability mechanism that will include a regular review by the PEF Management Team of partner performance, as described later in this report, as well as by creating space for new partners that may bring a unique comparative advantage;

- (b) Transition to the new funding structure disrupts partner operations: This risk is mitigated by an early approval of Foundational Support, and a flexible transition to the new country-centric approach, whereby partners will be able to point out critical support activities that might not have been included in country requests.
- (c) High workload to define and implement the new approach: The process to define the new approaches for the strategy is adding to the heavy workload of implementing the current strategy by an already overstretched staff. This risk is mitigated by prioritising the new Strategic Focus Areas necessary for the next 12 months, and the countries that require concerted support.
- (d) Conflict of interest in funding allocation decisions: Inherent to the structure of the Gavi Alliance is the unique position of WHO and UNICEF who are at the same time providers of technical assistance to countries, advisors on core Gavi processes (including the Joint Appraisal through which countries express their TA needs), part of the PEF Management Team that will advise the CEO on funding allocations, and part of the Board which makes final decisions. This potential conflict of interest is managed in various ways, including through (i) the country being the convener and ultimately authors of the Joint Appraisal process (ii) the presence of other co-investors in the PEF management team, and (iii) the processes at the Gavi Board to manage these conflicts of interest. However this will require careful attention all along from the leadership of these institutions, and Alliance stakeholders.

5. Financial implications: Business plan and budgets

- 5.1 The budget for the new Gavi Engagement Framework will be brought to the Board in December 2015. The new structure in itself should not generate any additional spending and is expected to move a bulk of current funding to country-level technical assistance.
- 5.2 It is anticipated that – as countries will need more intense engagement and support in the 2016-20 period to sustainably increase their immunisation coverage – the resources required by partners to support countries might increase. This will be done however through a careful prioritisation of countries, activities and partners that are the best placed to provide support.
- 5.3 Annual commitments for the Foundational Support for IPV introduction for each of the years 2016 and 2017 for WHO and UNICEF are requested for approval (see recommendation). This funding only requires commitment for the period 2016 and 2017 because most countries are introducing IPV in the period 2015-2016.

Section B: Content

6. Context

- 6.1 In June 2014, the Gavi Board adopted a new strategy for 2016-2020 building on the achievements and lessons learned from the previous 15 years of the Alliance's operations. With an emphasis on overcoming challenges related to immunisation coverage and inequities through improved health systems; ensuring long-term sustainability of immunisation programmes; and working with countries to build capacity for leadership, management and coordination, the new Gavi strategy is highly ambitious and necessitates a new way of working amongst Alliance partners.
- 6.2 To deliver on its 2011-2015 strategy, Gavi currently has two main funding mechanisms:
- (a) Grants to countries: made up of several support windows, including those related to new vaccine introductions and strengthening health systems;
 - (b) Gavi Business Plan, which is composed of:
 - (a) Funding to Gavi partners (including the World Health Organization [WHO], UNICEF, the World Bank, US Centers for Disease Control and Prevention [CDC] and others) for technical guidance and assistance to countries, as well as global activities required to support immunisation programmes; and
 - (b) Secretariat budget.
- 6.3 The current Business Plan and budget process is structured as follows:
- (a) The Business Plan and associated budget in the period 2011-2015 described the activities to be undertaken by Business Plan Partners to provide technical support to countries to deliver on the objectives set out in the 2011-15 strategy. It included activities and funding for a wide range of partners divided into two categories:
 - (a) The Business Plan core partners (WHO, UNICEF, World Bank and CDC), which contribute widely to immunisation through their own resources and receive additional support from Gavi for a range of activities related to Gavi programmes; and

(b) the 'expanded partners' which receive funding for specific activities targeted at specific countries (e.g., PATH and Johns Hopkins University for in-country advocacy in 3 countries; JSI and AMP for coverage support in 5 countries; the CSO Constituency, via Catholic Relief Services for setting up and supporting civil society organisation (CSO) platforms in 23 countries) or for studies and evaluations related to immunisation and Gavi programmes (e.g., through institutions such as University of Washington, the Institute of Health Metrics and Evaluation, Emory University, and others).

(c) The Business Plan also includes budget for the Secretariat.

(b) Typically, the Business Plan and budget spanned two years. For 2015, however, it was approved by the Board as a one-year bridging plan between the two strategic periods. While predominantly characterised by a continuation of work streams started in the 2013-2014 plan, the 2015 plan did include some new activities and ways of working driven by the specific context of and priorities for 2015.

(c) When the Board was presented with the Business Plan and budget in the past, it was in isolation of the full support that Gavi provides to countries and most notably the country grants which represent over 80% of the Alliance's investment.

6.4 During its review of the 2015 Business Plan activities in late 2014, the Executive Committee and Board both emphasised the need to redesign the Business Plan and to refine partner coordination processes from 2016 onwards. Some of the re-orientation that was encouraged included:

(a) Ensuring a country-centric process whereby assistance provided by partners is derived from country-expressed needs with a stronger link between the technical assistance provided by partners and the Gavi grants provided to countries;

(b) The adoption of a zero-based budgeting approach for the Secretariat and the partners for the first budget of the next strategic period. This would include an internal review of the Secretariat structure, processes and staffing in preparation for the implementation of the new strategic plan during the next strategic period. This would also include an alignment on roles and responsibilities of partners in various programmatic areas to ensure that they focus where they have comparative advantage. Gavi would also ensure that its funding is complementing partners' own investments in the field of immunisation while being mindful of not displacing, substituting or duplicating investments. The process also needs to be mindful of and synergistic with other bilateral investments being made in these countries;

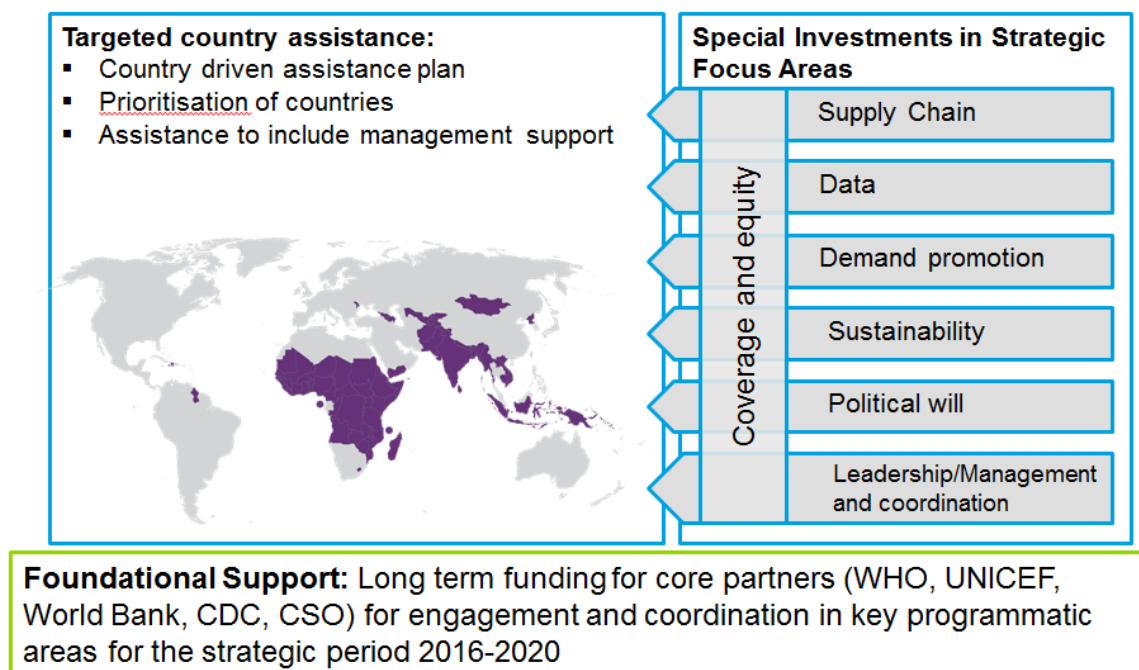
(c) Seeking ways to enhance accountability for outcomes at the country level. This would include a more explicit link between the activities funded by Gavi and the outcomes expected at country level.

- 6.5 Building on several consultations with Alliance partners, a number of steps have been proposed to restructure the Gavi budget and the coordination and funding of its Alliance partners.
- 6.6 First, it is proposed to restructure the architecture of the Gavi budget in a way that would enable a complete view of Alliance engagement and investments. With this, the Board would be offered a high level view of Gavi's total investments (around US\$ 2,000 million a year). This total budget would be called the Gavi Engagement Framework, and would be comprised of three components:
- (a) Programme Expenditure: Composed of grants to countries, including most notably the new vaccines support and health systems strengthening grants and provided as a context for investments through the PEF and Secretariat budget. As a reference, the amount for these investments in 2015 was US\$ 1,711 million.
 - (b) Secretariat Engagement: This would include the deliverables, activities and budget specific to the Gavi Secretariat. These would be split between programmatic functions and enabling infrastructure. For context, the amount for this in 2015 was US\$ 93 million.
 - (c) Partners' Engagement Framework: This would include resources provided by Gavi to its partners for technical assistance to countries, global guidance and studies. For context, the amount in 2015 was US\$ 157 million.
- 6.7 Second, a number of changes would be brought to the way partners coordinate their contributions to Gavi through the Partners' Engagement Framework. The activities and funding associated to it would be divided into three main streams (see Figure 1):
- (a) Foundational support: This would be comprised of long-term support provided to the Gavi partners to allow them to play a lead role in the programmatic areas where they have a clear institutional mandate or to coordinate their contributions to Gavi's activities. The support would entail predictable funding in the form of multi-year commitments mostly for global and regional staff involved in global coordination of activities in various programmatic areas. This support would be expected to be made available for WHO, UNICEF, the World Bank, CDC, and the Civil Society Organisation constituency against a set of specific functions that they would perform over the course of the strategic period. This funding would also include a jointly agreed annual accountability mechanism including evaluation of performance against a set of broad functions, and transparency on the performance management process in partners' organisations for the staff being funded through this mechanism.

- (b) Targeted country assistance: This would be comprised of the assistance provided by partners to countries to support successful implementation of the Gavi grants and overcome the bottlenecks within their immunisation programmes. This support would be determined through country-level planning processes under the leadership of the Ministry of Health. Such a process would ensure that partners (funded or not by Gavi) are aligned around a common plan and prioritise with the country amongst a list of areas that require assistance. Taking a differentiated approach, a subset of countries would be prioritised on the basis of scale and severity of challenges related to coverage, equity and sustainability of immunisation programmes. These countries would benefit from focused attention and dedicated resources above and beyond what would be provided for other countries. Building on countries' preferences, this support could be provided by the core partners listed in the previous section, or by other institutions that would have been pre-selected by the Alliance as potential providers of assistance. All partners would be expected to provide support to countries in ways that ensures transfer of skills to in-country staff and engage local or regional assistance providers – including CSOs – to promote sustainability and long term capacity-building.
- (c) Special investments in strategic focus areas: Gavi partners will need to jointly develop medium- to long-term approaches in programmatic areas which have been identified as critical in the next strategy period, and where the Alliance needs to go beyond business as usual, define a new way to operate as an Alliance and/or a new way to support countries. A first set of areas that may need innovative or cross country support approaches include: Supply chain, data, sustainability, country leadership management and coordination, demand promotion, in-country advocacy and market shaping. These areas all underpin the key strategic focus for 2016-2020 on coverage and equity, and sustainability.

Figure 1 - Structure of the Partners' Engagement Framework

Partners' Engagement Framework: New structure



6.8 Third, the Alliance structures where partners coordinate their contributions and review progress should be redesigned to better align with the new architecture. This would apply to the national, regional and headquarters levels with the following evolutions:

- (a) At the country level, strengthening the Inter-agency Coordinating Committee (ICC) or equivalent¹: The ICC, a concept created at the start of Gavi, is an increasingly important forum for Alliance partners at the country level. It was designed to play a critical role in supporting countries with the strategic planning of Gavi investments, coordinating the contributions from all Alliance partners, providing some oversight on the performance against Gavi grants, and advocating towards achieving improved immunisation impact. However these forums have interactions of variable quality across countries. They will need to be strengthened and adequately supported to better play their role in the future.

¹e.g., Health System Coordinating Committee (HSCC)

(b) At the regional level, enhancement and/or redesign of the partners' regional engagement structures: As the Alliance will support countries to tackle bottlenecks to coverage of immunisation, it will be particularly important for the Alliance to have an effective forum at the regional level to review progress of countries in their immunisation programmes, discuss bottlenecks they are facing, and coordinate the assistance provided by the Gavi partners. There is already a set of Regional Working Groups (RWGs) funded by Gavi and organised by partners providing a forum for Gavi partners to meet on a quarterly basis. However these groups need to be either strengthened or reconfigured and include participation of the Secretariat Country Support team, and the various stakeholders engaged in supporting countries on Gavi programmes (including partners providing assistance such as the World Bank, CDC, other NGOs, Gavi-supported CSO platforms where they exist, and bilateral donors involved in programmes related to immunisation).

(c) At the headquarters level:

(i) Forums for partners to engage on key strategic focus areas: These groups would design and coordinate the implementation of approaches in the strategic areas that have been identified as critical in the next strategy period (refer to the previous section). The forums would also provide guidance to the regional groups and countries in these technical areas to support resolutions of bottlenecks to immunisation coverage. They would be comprised of members from across the Alliance that have relevant subject matter expertise.

(ii) An overarching PEF Management Team for the Partners' Engagement Framework would be formed. The objective of the Management Team will be advise the CEO on funding allocation, engage with partners on their performance, and ensure coordination amongst main funders/providers of technical assistance in the field of immunisation. The PEF Management Team will be composed of Secretariat management, implementing partners funded through the PEF, and co-investors who are engaged with Gavi, Gavi partners, and other immunisation-related activities in countries.

6.9 A new accountability structure for the PEF will be put in place in the period 2016-20, which will be reviewed on a regular basis by the PEF Management Team. This structure will include:

(a) A new set of strategy indicators: to monitor the outcome and impact of Gavi support to country;

(b) A set of deliverables for each partner funded under the PEF: Many of the deliverables will be country-specific and reflect the assistance committed by partners as part of the PEF; and

- (c) A set of Alliance Key Performance Indicators (KPIs): To reflect the effectiveness and efficiency of partners contributing to Gavi's mission. This would incorporate all constituents of the Alliance who contribute to aggregate performance including the Secretariat, partners, donors, CSOs, and national governments.
- (d) Evaluation of the new Engagement Framework and adjustment based on lessons learnt every 2 years.

Section C: Implications

7. Impact on countries

- 7.1 In the 2016-20 period, countries will express their needs for assistance through the Joint Appraisal missions and/or other country-led processes. These needs will translate into commitments from partners to provide that support, and where required funding provided by Gavi to partners to provide that support.

8. Impact on Gavi stakeholders

- 8.1 The new PEF is intended to engage much more closely with all Alliance partners. At the country level, the new Joint Appraisal process will engage those partners having a country presence to coordinate their support to the country. At the global level, the new PEF Management Team will review the performance of partners funded under the PEF, and ensure coordination of co-investors to Gavi, Gavi partners, and other immunisation-related activities in countries. Lastly, the Executive Committee and Board will also review on regular basis a set of Alliance KPIs which will track the contributions from all Alliance partners.

9. Impact on Secretariat

- 9.1 The Secretariat Engagement component of the Gavi Engagement Framework will be brought for decision to the Board in December 2015.

10. Legal and governance implications

- 10.1 The timeline for the review and approval of the various components of the 2016 and 2017 Gavi Engagement Framework is proposed as follows:
 - (a) October 2015:
 - (i) Review by the Policy and Programme Committee (PPC) of the approaches envisaged to provide technical assistance to countries in key gap areas. This will inform the development of the funding provided to different partners for the country assistance. The PPC would also review the approaches proposed for the strategic focus areas.

- (ii) Review by the Audit and Finance Committee (AFC) of the Secretariat budget and the envelopes that will be allocated to each area of the new Partner Engagement Framework for the two-year period 2016-17.
 - (iii) Unlike past years the review by the PPC and AFC will be conducted separately.
 - (b) November 2015: The Executive Committee will consider the recommendations of the AFC and PPC review and submit a recommendation to the Board.
 - (c) December 2015: Approval of the Secretariat budget and of the envelopes to be allocated to each area of the PEF. Of note considering the PEF will be built on country needs which might not have yet been fully defined by December, the exact allocation of the envelopes under the PEF might not have yet been fully allocated to partners. That exact allocation would be firmed up as assistance plans for countries are finalised. This process would mirror the one used for country grants whereby the Board approves envelopes from which amounts are allotted (by the CEO) to countries based on recommendations of the IRC (Independent Review Committee)/High Level Review Panel (HLRP). In the case of targeted country assistance under PEF, the Gavi CEO would allot funding on the basis of the recommendations provided by the HLRP and the PEF Management Team.
 - (d) June 2016: The CEO would report back to the Board on the allocation of the targeted country assistance envelopes. The Board would discuss any recommended adjustments to the budgetary amounts that might have emerged in light of the country-specific assistance plans.
 - (e) In 2017: Evaluation of the new Engagement Framework and adjustment based on lessons learnt. Considering the experimental nature of the new framework, Gavi - as a learning Alliance- will ensure timely evaluations of the model and adjustment to the structure as relevant.
- 10.2 Minor modifications to Governance processes will be presented to the Governance Committee and then for approval by the Board in December. In developing a Governance approval process, the Secretariat will aim to balance efficiency with accountability mechanisms.
- 10.3 Appropriate legal arrangements will need to be put in place with relevant partners for the provision of Foundational Support, targeted country assistance and special investments in strategic focus areas.
- 11. Consultation**
- 11.1 This new approach was built upon multiple consultations with partners organisations (workshops held in November and February), Board (March) and PPC (May).

12. Gender implications

12.1 There are no gender implications associated with this decision.

Section D: Annexes

Annex A: Illustrative format for the new Gavi Engagement Framework

Gavi Engagement Framework						US\$ million
Illustrative format using 2015 budget numbers						2015
<u>Programmes:</u>						
Vaccines						1,204 61%
Cash-based						507 26%
Programme Expenditure		Forecast programme disbursements				1,711
(Forecast programme disbursements; approval process is unchanged.)						87%
		Programmatic Functions		Enabling Infrastructure		
Secretariat Engagement		XXX		XXX		93
		n%		n%		5%
Partners Engagement						
		Foundational Support	Targeted Country Assistance	Program Support Charge*	Special Investments	
(Illustrative distribution)						
WHO		X	X	X	X	59 3%
UNICEF - Supply Div. Procure. Fees				X		20 1%
UNICEF - Programme Div.		X	X	X		24 1%
World Bank		X	X	X		4 0.2%
CDC		X	X	X		4 0.2%
Civil Society Organisations		X	X	X		0 0.0%
Other partners			X		X	20 1%
Supply chain					X	15 1%
Impact assessments					X	11 1%
Partners Engagement		XXX	XXX	XXX	XXX	157
		n%	n%	n%	n%	8%
Total						1,961
						100%

* The Programme Support Charge is a percentage of the Foundational Support and Targeted Country Assistance