



Report to the GAVI Alliance Board

21-22 November 2013

Subject:	Update for 2014 to two-year business plan and budget
Report of:	Helen Evans, Deputy CEO
Authored by:	Adrien de Chaisemartin, Tony Dutson, Ciara Goldstein, Barry Greene, Minzi Lam Meier, Nina Schwalbe
Agenda item:	15
Category:	For Decision
Strategic goal:	Affects all strategic goals

Section A: Overview

1 Purpose of the report

- 1.1 In 2012, the GAVI Alliance Board approved a 2 year business plan and budget including annual deliverables, activities and budgets for 2013 and 2014 for all GAVI implementing partners and for the GAVI Secretariat.
- 1.2 Based on the experience to date including progress against the deliverables, a deepened understanding of the challenges and evolving risks in 2013, this paper proposes some slight adjustments in order to achieve the yearly deliverables approved in 2012.
- 1.3 The Audit and Finance Committee (AFC) and the Programme and Policy Committee (PPC), meeting in joint session on the 10 October 2013 recommended that the Executive Committee recommends to the Board that it approves the 2014 Revised Business plan and budget. The only amendment to the proposed budget requested by the joint Committees was to increase the Supply Chain activities budget by US\$ 1 million from US\$ 2.9 million to US\$ 3.9 million.
- 1.4 In turn, the Executive Committee ('EC') meeting on the 1 November 2013 recommended that the Board approves the 2014 Revised Business plan and budget
- 1.5 The attached report is the paper that was presented to the EC, which includes the amendment proposed during the PPC/ AFC meeting for the Supply Chain activities.

2 Recommendations

- 2.1 The Executive Committee recommended to the GAVI Alliance Board that it:

- a) **Approve** a US\$ 1.74 million increase for WHO to implement its part of the 2014 Business Plan.
- b) **Approve** a US\$ 1.76 million increase for UNICEF Programme Division to implement its part of the 2014 Business Plan.
- c) **Approve** a US\$ 1.39 million increase for civil society organisations for activities under the 2014 Business Plan.
- d) **Approve:**
- a US\$ 5.88 million increase for the Secretariat operating expenses for the 2014 Business Plan;
 - a US\$ 0.70 million increase to the Secretariat's capacity to enter into expanded partnerships for the 2014 Business Plan;
 - US\$ 3.6 million for capital expenditure needs of the Secretariat to support work of the GAVI Alliance in 2014.¹
- e) **Approve** an amount up to US\$ 12.1 million for polio-related Secretariat and partner costs to be added to the 2014 Business Plan, subject to additional polio-specific funds being made available from donors.
- (To be considered in the context of the agenda item on Polio and routine immunisation and presented here for information only)*
- f) **Approve** an amount up to US\$ 1.5 million to be added to the 2014 Business Plan budget to implement the Board's Vaccine Investment Strategy (VIS) decisions through Secretariat and partner activities as described in section 5.2 of Doc 07 to the PPC.²
- (To be considered in the context of the agenda item on the Vaccine Investment Strategy and presented here for information only)*
- g) **Approve** an amount up to US\$ 3.9 million to be added to the 2014 Business Plan for spending on supply chain activities.³
- h) **Approve** an amount of up to US\$ 2 million to be added to the 2014 Business Plan for the GAVI Secretariat and partners to scale-up engagement with graduating countries.

(To be considered in the context of the agenda item on GAVI engagement with graduating countries and presented here for information only)

¹ Capital expenditure budgets are approved on an annual basis and hence no budget for 2014 was presented for approval at the December 2012 Board Meeting and is being presented now.

² The PPC Vaccine Investment Strategy paper provides further details. The Business Plan budget amount does not include the vaccine costs which are included in the needs for programme funding outlined in the AFC Financial Forecast paper.

³ Funding US\$ 2 million is available from the ELMA Foundation towards expenditure of US\$ 4 million on supply chain activities in 2014-15, of which this US\$3.9 million in 2014 forms part.



Report to the Executive Committee

1 November 2013

Subject:	Update for 2014 to two-year business plan and budget
Report of:	Helen Evans, Deputy CEO
Authored by:	Adrien de Chaisemartin, Tony Dutson, Ciara Goldstein, Barry Greene, Minzi Lam Meier, Nina Schwalbe
Agenda item:	04
Category:	For Recommendation
Strategic goal:	Affects all strategic goals

Section A Overview

1 Purpose of the report

- 1.1 In 2012, the GAVI Alliance Board approved a 2 year business plan and budget including annual deliverables, activities and budgets for 2013 and 2014 for all GAVI implementing partners and for the GAVI Secretariat.
- 1.2 Based on the experience to date including progress against the deliverables, a deepened understanding of the challenges based on experience in 2013, and evolving risks, this paper proposes some slight adjustments in order to achieve the programme objectives and yearly deliverables approved in 2012.
- 1.3 A summary of the Business Plan programme objectives, deliverables, and the adjustments to the main activities and costs are included in Annex 1 of this document. Annex 2 provides the background information for the adjustments in baseline and target for some of GAVI's Business Plan indicators¹. Annex 3 provides detail of the adjustment to the Secretariat's budget.
- 1.4 The Audit and Finance Committee (AFC) and the Programme and Policy Committee (PPC), met in a joint session on 10 October 2013 to discuss the 2014 Revised Business Plan and Budget. The joint committees recommended that the Executive Committee recommend to the Board that it approves the 2014 Revised Business plan and budget, including an increase of the Supply Chain activities budget by US\$ 1 million from US\$ 2.9 million to US\$ 3.9 million.
- 1.5 This report has been updated throughout to reflect that change.

¹ For a full update on the status of these indicators vis-à-vis the targets please visit:
<http://www.gavialliance.org/results/goal-level-indicators/>

2 Recommendations

2.1 The PPC and the AFC, in joint session, recommended to the Executive Committee that it, in turn:

Recommend to the Board that it,

- a) Approve a US\$ 1.74 million increase for WHO to implement its part of the 2014 Business Plan, contingent upon approval by the GAVI Alliance Deputy CEO of a set of quarterly deliverables.²
- b) Approve a US\$ 1.76 million increase for UNICEF Programme Division to implement its part of the 2014 Business Plan, contingent upon approval by the GAVI Alliance Deputy CEO of a set of quarterly deliverables.
- c) Approve a US\$ 1.39 million increase for civil society organisations for activities under the 2014 Business Plan, contingent upon approval by the GAVI Alliance Deputy CEO of a set of quarterly deliverables.
- d) Approve:
 - a US\$ 5.88 million increase for the Secretariat operating expenses for the 2014 Business Plan;
 - a US\$ 0.70 million increase to the Secretariat's capacity to enter into expanded partnerships for the 2014 Business Plan;
 - US\$ 3.6 million for capital expenditure needs of the Secretariat to support work of the GAVI Alliance in 2014.³
- e) Approve an amount up to US\$ 12.1 million for polio-related Secretariat and partner costs to be added to the 2014 Business Plan, subject to additional polio-specific funds being made available from donors.
- f) Approve an amount up to US\$1.5 million to be added to the 2014 Business Plan budget to implement the Board's Vaccine Introduction Strategy (VIS) decisions through Secretariat and partner activities as described in section 5.2 of Doc 07 to the PPC.⁴
- g) Approve an amount up to US\$ 3.9 million to be added to the 2014 Business Plan for spending on supply chain activities.⁵

² Quarterly deliverables are the basis for performance management for each GAVI partner to ensure that the GAVI Alliance is on track to reach it end of year deliverables. They are the basis for the Memorandum of Understanding between the Secretariat and each Business Plan implementing partner.

³ Capital expenditure budgets are approved on an annual basis and hence no budget for 2014 was presented for approval at the December 2012 Board Meeting and is being presented now.

⁴ The PPC Vaccine Investment Strategy paper provides further details. The Business Plan budget amount does not include the vaccine costs which are included in the needs for programme funding outlined in the AFC Financial Forecast paper.

⁵ Funding US\$ 2 million is available from the ELMA Foundation towards expenditure of US\$ 4 million on supply chain activities in 2014-15, of which this US\$2.9 million in 2014 forms part.

- h) Approve an amount of up to US\$ 2 million to be added to the 2014 Business Plan for the GAVI Secretariat and partners to scale-up engagement with graduating countries.
- 2.2 Details of the above requested budget approvals e) through h) for new initiatives yet to be considered by the Board, total US\$ 19.5 million for operating expenses.

3 Executive Summary

- 3.1 At its meeting in December 2012, the GAVI Alliance Board approved a 2-year Business Plan which maps out how to deliver on GAVI's mission and four strategic goals by achieving clearly defined key deliverables.
- 3.2 The Business Plan builds on the five priorities identified at this time and which continue to be central to GAVI delivering on its mission. These are:
- (a) Increased in-country implementation and follow-through
 - (b) Accelerating progress on equity and coverage
 - (c) Sustaining immunisation programmes post-graduation
 - (d) Increasing the availability and use of operational data
 - (e) Strengthening of the HSS mechanism
- 3.3 GAVI intensified focus on these priorities in 2013, with a critical push towards more real time information, proactive delivery and strengthening of routine immunisation. Based on the experience in 2013, the Secretariat and partners are proposing adjustments to some activities and corresponding budgets. In certain areas, these adjustments will also enable GAVI to better mitigate some of the key risks faced by GAVI and catch-up on delays in achieving the 2014 deliverables, as approved by the Board in 2012.
- 3.4 The adjustments to Business Plan activities are mainly focused on four themes. The corresponding adjustments to the 2014 Business Plan budget for operating expenses total US\$ 11.5 million. These are summarised below and in Figure 1, and are described in further detail in Section B of this paper.

(a) Improving programmatic effectiveness: (+ US\$ 8.2 million):

In light of the progress against the deliverables in the 4 strategic goals, the revised Business Plan includes a number of adjustments in the areas of vaccine introduction, implementation of coverage and equity improvement plans, support to graduation, and improvement in data quality. To this end, the GAVI Secretariat and Business Plan implementing partners have reviewed their activities and budgets in these areas (see section B and annex 1). This also includes an increase in resources necessary to strengthen grant management and in order to reduce lead-times and link more effectively resourcing to results as approved by the Board in June 2013, as part of the Grant Approval and Monitoring Review (GAMR).

(b) Enhancing resource mobilisation efforts: (+ US\$ 1.1 million):

GAVI will hold its replenishment conference late 2014 or early 2015, in a context of general elections in a number of key donor countries, shifting trends in the nature of development aid, and a difficult global economic climate. To mitigate the risk of mobilising insufficient funding to meet programmatic needs, additional effort is required for resource mobilisation activities focused on expanding the donor base and increasing donor support, including through innovative finance products, private sector engagement and intensified GAVI senior management outreach to existing and prospective donors.

(c) Strengthening GAVI governance and Secretariat processes (+ US\$ 1.2 million):

In light of costs in 2013, additional resources are requested for meetings, travel and technical support to the Board, its committees and the CSO constituency. The Secretariat will also need to strengthen the Secretariat, as highlighted to the Board at the June 2013 meeting, by investing in staff professional development to address results from all staff survey conducted in May related to staff retention and burn out.⁶

(d) Intensifying risk management: (+ US\$ 1.0 million):

GAVI will initiate a number of new initiatives to mitigate some of the key risks related to GAVI grants to countries. This includes the implementation of a new whistle-blower policy, performing vaccine audits (see PPC paper 10 on revisions to the transparency and accountability policy), and development of better tools to monitor the roll out of new vaccines in country. The Secretariat will also look to strengthen finance and operations teams to help strengthen controls and oversight over non-vaccine procurement,(of ~\$30 million per annum) and its finance infrastructure.

Figure 1: Allocation by theme and implementing partner of the US\$ 11.5 million additional funding sought for the 2014 Business Plan

US\$ million	Improving Programmatic Effectiveness	Enhancing Resource mobilisation efforts	Strengthening GAVI governance and Secretariat processes	Intensifying Risk Management	Total
Core Secretariat	2.6	1.1	1.2	1.0	5.9
Expanded Partnerships	0.7				0.7
Sub-Total : Secretariat	3.3	1.1	1.2	1.0	6.6
WHO	1.7				1.7
UNICEF - Programme Division	1.8				1.8
GAVI CSO constituency (CRS)	1.4				1.4
Sub-Total : Partners	4.9	0.0	0.0	0.0	4.9
Total	8.2	1.1	1.2	1.0	11.5
	71%	10%	10%	9%	100%

⁶ Minutes GAVI Alliance Board Meeting 11-12 June, 2013.

See Figure 2 below for further details.

4 Risk implication and mitigation

- 4.1 As described in the 2012 Board paper, the 2 year 2013-2014 Business Plan addresses two main risks for GAVI, namely the inability to catch-up on introductions and coverage targets and inability to measure and demonstrate impact. The adjustments proposed in this paper further address the following two critical risks:
- (a) Data quality on immunisation coverage: Poor data quality in some work areas continues to post a high risk for GAVI. Increases are proposed in WHO and UNICEF's budgets to facilitate improvement (e.g. Service Availability and Readiness assessments, availability of immunisation cards and data verification activities at subnational level). WHO will also leverage a grant from the Bill and Melinda Gates Foundation in 2014 to intensify efforts in the area.
 - (b) Success of replenishment: This is an increasing risk as GAVI gets closer to its replenishment event in a context of elections in key donor countries, shifts in development aid and a weak global economy. Hence additional resources are requested to support resource mobilization efforts in 2014.
- 4.2 Of note, additional risks related to supply chain and graduation are addressed through new initiatives to be presented separately to the PPC (see PPC papers 12 and 13).
- 4.3 Lastly, a new significant risk that might impact the implementation of the GAVI Business Plan is the introduction of IPV supported by GAVI in 73 countries. Although this represents a unique opportunity to support the polio endgame and leverage polio resources to strengthen routine immunisation, there is also a risk that the significant number of introductions of IPV in the next few years will impact the introduction of the other GAVI-supported vaccines. This issue is addressed through the polio paper provided to the PPC (see PPC paper 11).

5 Business plan budget

- 5.1 The requested adjustments to the 2014 business plan budget total \$11.5 million representing a 6% increase over the board approved budget. As mentioned, these are focused on four themes which are further detailed in Section B:
- (a) Improving programmatic effectiveness (+ US\$ 8.2 million)
 - (b) Enhancing resource mobilisation efforts (+ US\$ 1.1 million)
 - (c) Strengthening GAVI governance and Secretariat processes (+ US\$ 1.2 million)
 - (d) Intensifying risk management: (+ US\$ 1.0 million)
- 5.2 These adjustments do not include a number of new initiatives, addressed in separate papers for PPC (for this meeting) and potentially Board

consideration, that would require a further investment of US\$ 19.5 million in 2014 as summarised in Figure 2 below. These initiatives are:

- (a) GAVI's involvement in polio: US\$ 12.1 million, to be fully financed from polio-specific funding (see PPC paper 11)
- (b) Vaccine Investment Strategy: US\$ 1.5 million. This does not include vaccine costs, which form part of programmatic expenditure (see PPC paper 7)
- (c) Supply chain strategy: US\$ 3.9 million (this will be partially covered by funding of US\$ 2 million from the ELMA Foundation towards expenditure of US\$4 million in 2014-15 (see PPC paper 12)
- (d) Enhanced support for graduation: US\$ 2.0 million (see PPC paper 13)

Figure 2: Financial impact of the proposed adjustments

Overall Summary of Budgets for 2014 US\$ million	Secretariat	Partners	Impact Assessments	Overall Total
2014 Budget - as approved in Dec 2012	79.2	98.9	10.8	188.9
Proposed adjustments to 2014 budget:				
<i>Secretariat:</i>				
1 Improving programmatic effectiveness	1.58			
2 Enhancing resource mobilisation efforts	1.10			
3 Strengthening GAVI governance and Secretariat processes	1.20			
4 Intensifying risk management	1.00			
5 Implementation of GAMR policy	0.66			
6 Fully-funded fellowships	0.34			
Sub-total: Core Secretariat	5.88			5.88
Expanded Partnerships	0.70			0.70
Sub-total : Secretariat	6.58			6.58
<i>Partners:</i>				
WHO		1.74		1.74
UNICEF Programme Division		1.76		1.76
GAVI CSO Constituency (CRS)		1.39		1.39
Sub-total : Partners		4.89		4.89
Total proposed adjustment	6.6	4.9	0.0	11.5
<i>% increase over 2014 Budget as approved in Dec 2012</i>	<i>8%</i>	<i>5%</i>	<i>0%</i>	<i>6%</i>
2014 Budget - including proposed adjustment	85.8	103.8	10.8	200.4
New initiatives under consideration by the Board				
See separate Board papers for substantive details of each proposed initiative				
Financial impact on 2014 Business Plan budget:				
Polio	3.1	9.0		12.1
Vaccine Investment Strategy	1.0	0.5		1.5
Supply chain management	3.9			3.9
Graduation strategy**	2.0			2.0
Potential further addition to 2014 Business Plan budget	10.0	9.5	0.0	19.5
<i>% increase over 2014 Budget as approved in Dec 2012</i>	<i>13%</i>	<i>10%</i>	<i>0%</i>	<i>10%</i>
2014 Budget, if all the foregoing were added	95.8	113.3	10.8	219.9

Objective of the adjustments				
Improving programme effectiveness	Enhancing resource mobilisation	Strengthening GAVI governance and Secretariat	Intensifying risk management	
1.6	1.1	1.2	1.0	
0.7				
0.3				
2.6	1.1	1.2	1.0	
0.7				
3.3	1.1	1.2	1.0	
1.7				
1.8				
1.4				
4.9	0.0	0.0	0.0	
8.2	1.1	1.2	1.0	
4.3%	0.6%	0.6%	0.5%	

12.1	6.4%
1.5	0.8%
3.9	2.1%
2.0	1.1%

** To be allocated across Secretariat and Partners

5.3 Although the recommended revisions to the 2014 Business Plan budget represent a 6% increase on the already approved budget, it should be noted that Business Plan costs continue to represent a declining percentage of total

expenditure projected to reduce from 18% in 2010 to 11% in 2013 and 10% in 2014 (see Figure 3). This is prior to inclusion of the new initiatives that the Board will consider for approval, which would increase the 2014 percentage to 11%.

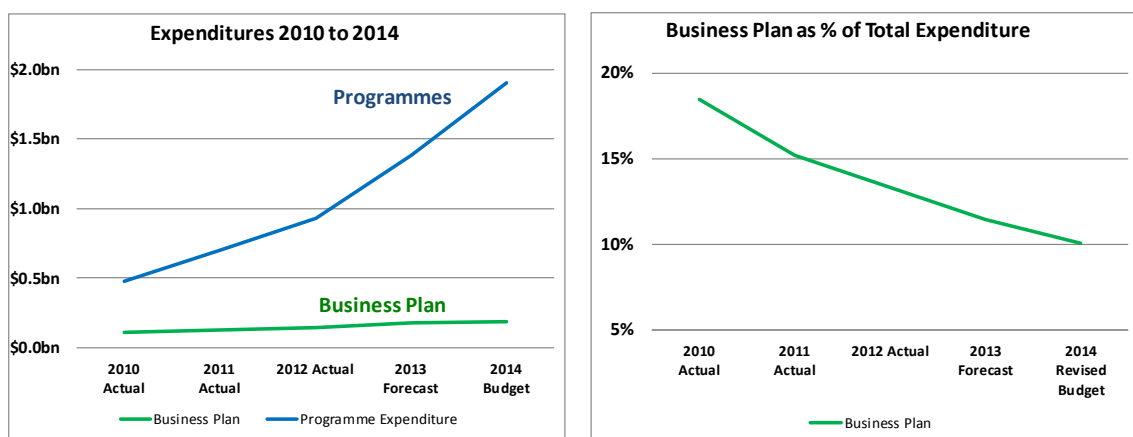
5.4 The decline in the share of total expenditure represented by the Business Plan is linked to the fact that the overall programme expenditure for GAVI is expected to grow by 280% between 2010 and 2014, from an annual level of US\$ 0.5 billion in 2010 to US\$ 1.8 billion by 2014 – almost four times the 2010 level. The major step-change commenced in 2013, with programme expenditure expected to reach US\$ 1.4 billion – almost three times the 2010 level. In comparison, the Revised Business Plan budget proposed for 2014 shows a growth of 86% on the 2010 level by 2014 (see Figures 3 and 4 below).

Figure 3: Evolution of expenditures from 2010 through 2014

US\$ million	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2013 Forecast	2014 Budget	2014 Revised Budget	2010 to 2014 RB change
Business Plan								
- Secretariat	49	54	65	72	73	75	81	63%
- Secretariat - Expanded partners	0	0	1	4	4	4	5	
- Partners (including envelope)	56	69	74	94	93	99	104	87%
- Impact assessments (including envelope)	2	3	4	11	6	11	11	339%
Business Plan	107	125	144	182	176	189	200	86%
					-3%	+4%	+6%	
Programme Expenditure	474	695	934	1,670	1,384	1,902	1,800	280%
Total Expenditure	581	820	1,078	1,852	1,560	2,091	2,000	244%
<i>Business Plan % of Total</i>	18%	15%	13%	10%	11%	9%	10%	

Note: "Secretariat - Expanded partnerships" refers to Secretariat costs for services performed by new implementing partners, funded by contracts awarded and managed by the Secretariat.

Figure 4: Business Plan represents a declining share of total expenditure



- 5.5 The drivers for the changes in budget are explained in Section B and the detailed budgetary implications are outlined in Section C. The relationship between budget and deliverables are outlined in Annex 1 and the budget for the Secretariat is detailed in Annex 3.
- 5.6 At the April AFC meeting, the Secretariat identified approximately US \$4.9 million of 2012 activities that would now be completed in 2013. However, no budget carry-forward request was sought at the time as the Secretariat would seek to absorb these activities within the existing 2013 board approved business plan budget, with the intention to revert to the AFC later in 2013 should that not be feasible. As of today, the Secretariat is forecasting business plan expenditures, including the expanded partnerships it manages (principally country evaluations), to be within +/- 2% of the board approved budget value for 2013.

Section B - Key themes for the 2014 business plan revision

6 Integrated plan

- 6.1 The 2013/14 business plan supports GAVI's strategic goals through the implementation of 26 programme objectives. These programme objectives have defined deliverables for each year. The deliverables for 2014 can be found in Annex 1. The business plan also includes a mission support component made of some non-programmatic cost (e.g. GAVI Secretariat finance and operation functions, Secretariat office space, Governance cost etc.)
- 6.2 The Business Plan 2014 has been adjusted to better enable the Alliance to achieve the targets for the 2011-2015 strategy, progress against which is articulated through the 2014 deliverables approved by the Board. The proposed changes can be categorized into themes as follows and are detailed below. The associated costs are as summarised in Figure 2.

7 Theme 1: Improving programmatic effectiveness (+US\$ 8.2 million)

- 7.1 The GAVI implementing partners are primarily responsible for supporting programmatic implementation on the ground. Based on their progress towards their 2013/14 deliverables, they have adjusted their budget as follows:
- 7.2 WHO: (+US\$ 1.7 million) In the 2013-2014 business plan, WHO is involved in numerous programmatic areas and most notably on support to countries on vaccine decision making and vaccine introductions, support HSS applications and implementation, support design and implementation of coverage improvement plans, support on co-financing and graduating countries, long term market shaping, data quality and surveillance.
- 7.3 While the overall budget remains close to the approved amount (with a 3% increase), WHO has made some adjustments in certain areas where either it was behind target, or the context had evolved, or specific mitigation actions were required. The main areas of increase budget are described below and are compensated by slight decreases in numerous other areas:

- (a) NITAGs: GAVI is behind target with regards to the number of functional NITAGs in GAVI countries. As lead in this area, WHO will partner and fund Agence de Medecine Preventive (AMP) to accelerate the progress.
- (b) Support integrated approaches to introductions: Considering the increasing number of introduction next year and the importance of ensuring integration with other interventions, WHO is increasing its budget in this area.
- (c) Support to the implementation of coverage improvement plans: GAVI is behind target for its coverage indicator. To catch up on this, WHO was funded in 2013 to help 11 countries identify bottlenecks to immunisation coverage and build improvement plans. In 2014 WHO will focus on supporting the implementation of these plans and is requesting an increase in its budget in this area
- (d) Scaling up of the Service Availability and Readiness Assessment (SARA): Considering the challenges and risks of low data quality, WHO will increase its budget to scale up this tool.
- (e) Support to track immunisation expenditure: To better understand the actual spending by GAVI countries on vaccines, WHO will be funded to include immunisation expenditure in its work on National Health Account.

7.4 UNICEF Programme Division (PD): (+US\$ 1.8 million)

The main focus of UNICEF's work in the 2013-2014 plan is on the following areas: equity, social mobilisation, cold chain and logistics, data quality and co-financing.

- 7.5 UNICEF has faced some slight delays in its deliverables on immunisation equity due to challenges in the recruiting of in-country staff in the 10 countries targeted by UNICEF support, although UNICEF report that they are now confident that they will catch-up by the end of 2013. In 2014, UNICEF is asking for upward adjustments to its budget to support countries implement their equity plans and gather and disseminate the lessons learnt from the equity improvement initiatives.
- 7.6 With regards to data quality, a major priority for GAVI, UNICEF will increase its budget to support the availability of child health cards in GAVI countries.
- 7.7 As a new activity in the Business Plan, UNICEF's Gender and Rights Section will also be involved to support integrated HPV introductions to ensure integration with a broader set of interventions related to adolescent health.
- 7.8 Finally, although it doesn't represent a net increase in budget, the focus of UNICEF's work under strategic goal 3 will shift from global tracking of immunisation expenditure to identifying and resolving bottlenecks in the implementation of national immunisation budgets and supporting graduating countries.

7.9 UNICEF Supply Division (SD): (No increase)

UNICEF Supply Division will continue its critical role of procurement agent for the GAVI Alliance. On the basis of the latest Adjusted Demand Forecast (“ADF”) 7.0 data as compared to ADF 5.0, which provided the basis for the current handling fees set for 2013 and 2014, the increase is within 10% and as this can be managed within the existing fees UNICEF is not recommending adjustment to the fees for 2013 or 2014. However, the possible introduction of IPV in 2014 might require an adjustment on the fee for 2014.

7.10 Of note, a recent independent benchmarking study⁷ conducted by Boston Consulting Group concluded that UNICEF SD procurement activities bring value, and that the recent change in the handling fee is aligned with the forecasted increase in activity. The study also concluded that operational performance is overall good but indicates potential to improve and achieve best practice in selected areas.

7.11 Vaccine Implementation Technical Advisory Consortium (managed through PATH): (No increase)

The main focus of VITAC’s work in 2013-2014 is on: supporting in-country advocacy for immunisation, developing global communications on vaccines and immunisation and supporting HPV introductions. The 2014 VITAC budget remains as approved by the Board in 2013.

7.12 In 2013, in-country advocacy for immunisation started across four priority countries: Pakistan, DRC, Nigeria and Ethiopia and advocacy plans will be finalised in 2013 to be implemented in 2014.

7.13 With regard to global communications specifically, VITAC is producing a scientific communications strategy and materials, providing scientific support to crisis and reputation management, and helping generate field and human interest stories. These activities are expected to continue throughout 2014, to ensure that the work of GAVI is understood amongst global stakeholders and partners.

7.14 With regards to support for introductions of HPV, these activities will ramp up as more HPV demonstration projects are taking place in 2014. WHO will coordinate the input by the multiple partners on these introductions and VITAC will providing technical assistance to demonstration project planning and applications.

7.15 Catholic Relief Services (CRS): (+US\$ 1.4 million)

On behalf of the CSO Constituency, CRS facilitates the development of national networks of civil society organisations in order to promote their engagement in the policy dialogue, service delivery, and more specifically in the design and implementation of the HSS grants to support immunisation. In 2013, the second year of piloting this approach, CRS is supporting fourteen

⁷ The AFC will receive a copy of this benchmarking study at its meeting on the 10 October 2013 where this, along with a review of the fee structure and adjustment mechanism, will be also reviewed.

countries. As a result of CRS's work, there has been increased engagement of the participating CSOs in Interagency Coordination Committees (ICC) and the Health Sector Coordination Committees (HSCC). In 2014, CRS will scale up its work and increase its scope to 12 additional countries, hence the increase in the budget requested.

7.16 Expanded partnerships: (+US\$ 0.7 million)

As approved by the Board in December 2012, an increasing number of partners will be involved in the implementation of the GAVI Business Plan. Two institutions, Agence de Médecine Préventive (AMP) and John Snow Inc. (JSI) have been selected to provide additional technical assistance in 8 countries. Support is tailored to countries' needs on coverage improvement and/or new vaccine introductions. Other key partners involved in the business plan include:

- (a) Sabin Institute and the African Development Bank to support the development and implementation graduation plan for countries graduating from GAVI support.
- (b) Institute for Health Metrics and Evaluation: Full country evaluations in 5 countries to collect real-time data on immunisation programmes, vaccine-related issues and the contribution of Alliance support in five countries
- (c) Centers for Disease Control and Prevention to support countries in their decision making on rubella vaccine introduction
- (d) Other partners will be also engaged for small projects on a specific set of in-country issues as a complement of the support provided by WHO and UNICEF. As an example, this includes support to Indonesia to analyse and address the drop-out in DTP containing vaccines, and the support to Haiti on cold chain and logistics issues.

7.17 This growing number of partners involved in the GAVI business plan require a strong coordination role by the Secretariat at the global level and with the WHO and UNICEF at the country level. Building on the work started in 2013 Alliance partners have completed development of a matrix in which institutions taking the lead on specific activities in specific countries are clearly identified. This work planning tool is available upon request.

7.18 GAVI Secretariat: (+US\$ 2.6 million)

The Secretariat will also adjust its activities and budget in various programmatic areas. One of the main increase in budget relate to the initiative on Grant Approval and Monitoring Review (GAMR) approved by the Board in June 2013 which aims at decreasing the lead time to review applications, improve the monitoring process and better link resources to results. Some budget adjustments are also required in the area of country programmes with more intense engagement at the country level in order to better steer GAVI's investment in country and implement country tailored approaches.

8 Theme 2: Enhancing resource mobilisation efforts (+US\$ 1.1 million, Secretariat)

8.1 In preparation for GAVI's next replenishment, the Secretariat will develop and implement strategies to improve existing and new donor outreach efforts, to increase support of CSO constituencies, and to develop potential new Innovative Finance products. GAVI senior management will also engage more intensively with existing and prospective donors (see Annex 3 for further details).

9 Theme 3: Strengthening GAVI Governance and Secretariat processes (+US\$ 1.2 million, Secretariat)

9.1 The Board and Board committees are planning for an increased number of meetings next year as well as an increasing need for technical advisers to board members funded through the mission support budget of the Business Plan. The GAVI Secretariat will also seek to strengthen the finance and operations mechanisms through (1) an additional resource in support of enhancing non-vaccine procurement as well (2) strengthening controls and enhancing the output from GAVI's financial infrastructure. Additional budget is also sought to invest in staff development and retention, as noted to the Board in June and in response to results from the most recent staff survey. (See Annex 3 for further details).

10 Theme 4: intensifying risk management (+US\$ 1.0 million, Secretariat)

10.1 The Secretariat will intensify its risk management approach through various new initiatives including a revised Whistleblower facility, and additional set of tools to identify risks and prioritise actions under the leadership of the internal auditor, and pending approval by the Board, inclusion of vaccine audit component in its transparency and accounting policy. In addition, the Secretariat will invest in a management tool to better track the roll out of vaccine and cash grants in country. This should facilitate access to real time data, and proactive identification of potential programme risks (see Annex 3 for further details).

11 Other new initiatives – separate budget requests

11.1 Four new initiatives will also be considered for recommendation to the Board for approval, through separate papers. Their financial implications for the Business Plan budget are indicated in this paper in order to provide a consolidated view of total budget requests. These four initiatives are as follows:

11.2 Inactivated Polio Vaccine (IPV)/Polio (see PPC paper 11): In June 2013, the GAVI Board took a number of decisions in relation to the complementarity between the Alliance and the efforts to eradicate polio, including stating that the Board:

- (a) Recognises the importance of a strong partnership and complementarity between the GAVI Alliance and the Global Polio Eradication Initiative

(GPEI) in eradicating polio based on a mutually agreed understanding of roles, responsibilities and results in countries;

- (b) Supports the GAVI Alliance playing a lead role in the introduction of IPV into routine immunisation services in 73 GAVI countries...should work with countries using GAVI's structures, policies and processes where possible;
- (c) Emphasises that the financial and human resource implications of GAVI's role in the introduction of IPV must be clearly identified. Funding for IPV introduction should not be taken from GAVI's current resources.
- (d) Requests the Secretariat to report to the Board and appropriate committees on the Alliance's specific role and activities in the introduction of IPV in line with the Polio Eradication Endgame Strategy. This should consider the long-term implications to GAVI in terms of human/financial resources as well as potential risks to the implementation of existing programmes.

The Secretariat and partners have been working since the Board decision to analyse implications of such a role in relation to polio. The related budget request of US\$ 11.5 million⁸ has been separately put forward to the PPC for recommendation to the Board, and is included in the analysis in Figure 2.

- 11.3 Vaccine Investment Strategy (VIS) (see PPC paper 7): The VIS is a process initiated once every five years to identify new priority vaccines for GAVI's programmes. If the PPC recommends board approval in November 2013, the Secretariat and Alliance partners will work together to implement a series of activities including but not limited to programme design, demand forecasting, country communication, M&E, risk assessments and stockpile management related to a portfolio of new vaccines. Implementation through the business plan is estimated to cost up to approximately US\$ 1.5 million in 2014. A separate budget request of up to US\$ 1.5 million has been included in a paper put forward to the PPC for recommendation to the Board, and is included in the analysis in Figure 2. Note: The US\$ 1.5 million for Business Plan expenditure is separate from the programme expenditure for providing the vaccines; the latter forms part of programmatic needs and is dealt within in the Financial Forecast (AFC Paper 6)
- 11.4 Supply Chain (see PPC paper 12): As a result of the change process initiated by the CEO in 2012, Supply Chain strengthening was identified as a key area for focus by the Alliance. The separate budget request of US\$ 3.9 million has been put forward to the PPC for recommendation to the Board and includes a proposed Supply Chain Targeted Improvement Facility (SCTIF). This amount represents the business plan element of this amount, and is included in the analysis in Figure 2. This cost will be partially covered by funding of US\$ 2 million from the ELMA Foundation towards expenditure of US\$4 million in 2014-15 as contribution through the Matching Fund.

⁸ Partner budget \$8.4m + Secretariat budget \$3.1m

11.5 Graduation (see PPC paper 13): In follow-up to the Board retreat in April 2013, the PPC is being requested to recommend to the GAVI Board the approval of the GAVI's enhanced support for graduation. An additional investment of US\$ 2.0 million will be required to implement this strategy, and is included in the analysis in Figure 2.

Section C The proposed revised 2014 Budget

12 Distribution of budget by Strategic Goal

12.1 The 2013-14 Business plan approved by the Board in 2012 maps out how to deliver on GAVI's mission, strategic goals, and targets by achieving clearly defined, critical, costed deliverables (refer to Annex 1). The proportional distribution per the revised 2014 budget remains largely unchanged from the budget approved in December 2013.

Figure 5: Distribution of budget by Strategic Goal

US\$ 000	Budget 2013		Change 2013 to 2014		Budget 2014		Change 2014 to 2014RB		Revised Budget 2014	
	Value	%	Value	%	Value	%	Value	%	Value	%
SG1 - Vaccine Goal	44,352	24%	(2,677)	(6%)	41,675	22%	1,342	3%	43,017	21%
SG2 - Health Systems Goal	23,297	13%	608	3%	23,905	13%	3,304	14%	27,209	14%
SG3 - Funding-/Co-financing Goal	13,552	7%	367	3%	13,919	7%	2,110	15%	16,030	8%
SG4 - Market-shaping Goal	3,759	2%	(141)	(4%)	3,617	2%	(233)	(6%)	3,384	2%
SG4 - Procurement Fees	16,000	9%	2,500	16%	18,500	10%	-	0%	18,500	9%
Advocacy, Com. & Public Policy	8,127	4%	300	4%	8,427	4%	583	7%	9,010	4%
Monitoring and Evaluation	22,530	12%	2,792	12%	25,322	13%	428	2%	25,750	13%
Policy	1,563	1%	(444)	(28%)	1,120	1%	416	37%	1,536	1%
CEO Reserve	0	0%	-	-	0	0%	-	-	0	0%
Envelope for Implementation Activities	4,000	2%	300	8%	4,300	2%	-	0%	4,300	2%
Envelope for Impact Assessments	5,026	3%	2,682	53%	7,707	4%	(0)	(0%)	7,707	4%
Programme Implementation	142,206	78%	6,287	4%	148,493	79%	7,949	5%	156,442	78%
Mission Support	40,006	22%	360	1%	40,366	21%	3,516	9%	43,882	22%
Partners' Forum 2012	51	0%	(51)	(100%)	0	0%	-	-	0	0%
Management adjustment	0	0%	-	-	0	0%	-	-	0	0%
TOTAL	182,263	100%	6,596	4%	188,859	100%	11,465	6%	200,324	100%

13 Budget distribution by implementer

13.1 Figure 6 illustrates the distribution of the budgets by implementer.

Figure 6: Distribution of budget by Implementer

US\$ 000		Budget 2013		Change 2013 to 2014		Budget 2014		Change 2014 to 2014RB		Revised Budget 2014	
Secretariat											
1	Core Secretariat	72,356	28%	2,394	3%	74,750	40%	5,878	8%	80,628	40%
2	Expanded Partnerships	4,377	9%	36	1%	4,413	2%	697	16%	5,110	3%
Sub-Total : Secretariat		76,733	52%	4,430	5%	79,163	42%	6,575	8%	85,738	43%
Partners:											
3	WHO	51,035	28%	245	0%	51,280	27%	1,738	3%	53,018	26%
4	UNICEF - Supply Division	16,000	9%	2,500	16%	18,500	10%	-	0%	18,500	9%
5	UNICEF - Programme Division	14,850	8%	1,050	7%	15,900	8%	1,757	11%	17,657	9%
6	AVI TAC	6,846	4%	293	4%	7,139	4%	1	0%	7,140	4%
7	GAVI CSO constituency (CRS)	1,710	1%	42	2%	1,752	1%	1,394	80%	3,146	2%
8	Envelope for Implementation Activities	4,000	2%	300	8%	4,300	2%	-	0%	4,300	2%
Sub-Total : Partners		94,441	52%	4,430	5%	98,870	52%	4,891	5%	103,761	52%
Impact Assessments:											
<i>Already Committed</i>											
	PATH	4,115	2%	(1,146)	(28%)	2,969	2%	0	0%	2,969	1%
	AVI TAC	686	0%	(686)	(100%)	0	0%	-	0%	0	0%
	ADIPs	1,000	1%	(850)	(85%)	150	0%	-	0%	150	0%
	<i>Envelope for new Impact Assessments</i>	5,026	3%	2,682	53%	7,707	4%	(0)	(0%)	7,707	4%
9	Sub-Total : Impact Assessments	10,826	6%	(0)	(0%)	10,826	6%	(0)	(0%)	10,826	5%
Total		182,263	100%	6,596	4%	188,859	100%	11,466	6%	200,325	106%

Summary of amounts for Board approval

WHO	(Row 3 above)	1,738
UNICEF SD	(Row 4 above)	-
UNICEF PD	(Row 5 above)	1,757
Civil Society Organisations	(Row 7 above)	1,394
Secretariat - core & expanded partnerships	(Row 1 & 2 above)	6,575
Total		11,466 6%

Other Initiatives for Board consideration, not included above:

Secretariat + Partners:	
- Polio	12,100
- VIS	1,500
- Supply chain	3,900
- Graduation strategy	2,000
Total	19,500

13.2 The key drivers of the partner budget changes include:

- (a) WHO: Increase of US\$ 1.7 million (3%) requested: from US\$ 51.3 million to US\$ 53.0 million.

This corresponds to increases in specific areas as detailed in section B and slight decreases in a number of other areas.

- (b) UNICEF Supply division: No increase requested.

- (c) UNICEF Programme Division (PD): Increase of US\$ 1.8 million (11%) requested: from US\$ 15.9 million to US\$ 17.7 million.

This is driven by additional activities mainly related to the new activity on HPV introductions (US\$ 525k), data quality (US\$ 245k) and equity (US\$ 771k) described in more detail in section B.

- (d) VI-TAC: No increase requested.
- (e) CRS: Increase of US\$ 1.4 million (80%) requested: from US\$ 1.8 million to US\$ 3.1 million

The increase will contribute to supporting an additional 12 countries in strengthening CSO engagement in national policy dialogue. The set of countries will be determined to align with the expected HSS applications in 2014

- (f) Core Secretariat: Increase of US\$ 5.8 million (8%) requested: from US\$ 74.8 million to US\$ 80.6 million. See Annex 3.
- (g) Expanded Partnerships: Increase of US\$ 0.7 million (16%) requested: from US\$ 4.4 million to US\$ 5.1 million. See Section B, 2.16.

Section D Implications

14 Impact on countries

- 14.1 Overall, the Ministries of Health in GAVI countries have the primary responsibility for delivering on the GAVI programmes that they have applied for. The Business Plan deliverables and associated activities are intended to support this implementation and delivery on the four strategic goals.

15 Impact on GAVI stakeholders

- 15.1 Once approved, these business plan adjustments will be integrated into the implementing partner budgets, and performance reporting frameworks developed at the start of the 2011-2015 strategy period.

16 Impact on Secretariat

- 16.1 Refer to details on programmatic content and budget details as described above.

17 Legal and governance implications

- 17.1 Once approved by the Board, the Business Plan will form the basis of Memoranda of Understanding with WHO and UNICEF, and contractual arrangements with VITAC, Catholic Relief Services on behalf of Civil Society and any other implementing partner.

18 Consultation

- 18.1 In December 2012 the GAVI Alliance Board approved a business plan and associated budget for the years 2013 and 2014. The process conducted in 2012 to build that plan was highly consultative and comprehensive: It included a set of workshops with all Alliance partner to identify what the business plan priorities should be, to review the deliverables for 2013, 2014, 2015 and to develop the activities for each partner.
- 18.2 For the adjustments of the 2014 Business Plan, the relevant focal points for each implementing partners met either individually or through the management teams across the business areas (e.g. Vaccine Implementation Management Team, Strategic Goal 2 Management Team, Immunisation Financing and Sustainability Team). The focal points and management teams reviewed the 2014 deliverables and activities and proposed revisions reflected in this paper.
- 18.3 The resulting plan was reviewed by a joint meeting of the AFC/PPC on 10 October.
- 18.4 The GAVI Secretariat is also working with the Bill and Melinda Gates Foundation to identify the links and synergies with the foundation's grants and the GAVI Alliance business plan.

19 Gender implications

- 19.1 Currently, in the GAVI Business plan, activities related to improving gender equity are primarily equity led by WHO, UNICEF and AMP. The coverage improvement plans are supposed to include analyses and actions to tackle the gender-related barriers to immunisation. The countries of focus for UNICEF's support on equity also include some that were identified as having a statistical difference between the number of boys and girls being immunised. In these countries UNICEF will support the countries assess and tackle the drivers of such differences.
- 19.2 These activities and the associated implementing partners may be adapted following consideration by the PPC and Board of the review of the Gender Policy and resulting policy revisions.

Annex 1: Programme objectives, 2014 deliverables, main activities and cost for the 2014 business plan

PO	Programme objective	End of year deliverable 2014 No change since approved in 2012	Initial Budget 2014 (US\$ millions)	Revised Budget 2014 (US\$ millions)	% change in PO (initial to revised)	Main activities	Key shifts from initial to revised
1.1.1	Improve country decision-making structures, systems and processes	By end of 2014: i) 40 GAVI supported countries have functional NITAGs ii) 16 GAVI supported countries have functional NRAs iii) NITAGs and ICCs have the relevant evidence prior to deciding national introduction of vaccines (e.g. HPV)	5.2	5.5	7.1%	NRA and NITAG strengthening (WHO)	<ul style="list-style-type: none"> • Involvement of AMP in NITAGs support to catch up on delays • Decrease in YF risk assessment as end of previous GAVI investment case • Decrease in MR decision making (BMGF grant to WHO) and involvement of CDC in this area
						Generate vaccine specific data & information (WHO, UNICEF, AVI TAC, Sec)	
						Assessments, lessons learned & improvement actions (WHO)	
						In-country A&C (AVI TAC)	
1.2.1	Improve the quality of country planning, GAVI applications and performance reporting	i) 78% of applications submitted to GAVI are approved by the IRC ii) 30% of countries that submit an application by 2014, and which previously submitted an application in 2010-11 do so without externally funded technical assistance	10.7	10.5	-2.5%	Communication on GAVI policies & procedures (AVI TAC)	<ul style="list-style-type: none"> • Decrease in WHO support to application and planning • Increase at Secretariat linked to the Grant Application Monitoring and Review process
						Support to application development (WHO, UNICEF)	
						Coordinate the review of applications & progress reports (Sec)	
						Data sharing across partners (WHO)	
1.2.2	Prepare countries for successful introductions of new and underused vaccines	i) 75% of countries that introduced new vaccines reached their coverage targets in the first year after introduction by end of 2013 ii) 55 countries have undertaken EVM assessments resulting in improvement initiatives by end of 2014	26.2	25.9	-1.0%	Global management of introduction activities (Sec)	<ul style="list-style-type: none"> • Reduced funding for WHO support to MR introductions and SIAs • Increase in support for integrated introduction • Increase resources for HPV introduction, including new support by UNICEF adolescent health division • Increased resources for Secretariat to implement country tailored approaches
						Support in-country GAVI activities (Sec)	
						Vaccine specific introduction & roll-out support (WHO, UNICEF, Other)	
						Healthworker training (WHO)	
						In-country A&C (AVI TAC)	
						Vaccine management/Cold chain & logistics (UNICEF, WHO)	
Assessments, lessons learnt and improvement actions (WHO)							
1.2.4	Strengthen national capacity for planning of behaviour change communication for new and underused vaccines within a country's disease control framework	20 priority countries have implemented coordinated communication plans and demonstrated impact on 1-3 priority targeted behaviours	2.4	2.5	4.9%	Global communication tools (UNICEF)	<ul style="list-style-type: none"> • Adjustment in staff to support this area and ensure coordination with HSS grant mechanism to ensure plans are funded
						In-country communication plans (UNICEF)	

PO	Programme objective	End of year deliverable 2014 No change since approved in 2012	Initial Budget 2014 (US\$ millions)	Revised Budget 2014 (US\$ millions)	% change in PO (initial to revised)	Main activities	Key shifts from initial to revised
2.1.1	Identify and address constraints to safe immunisation and service delivery in countries under 70% DTP3 coverage	1. For all 12 countries that were below 70% coverage in 2010: i) countries, supported by partners, have identified major constraints to immunisation; ii) countries, by partners, have identified safety issues linked to injection safety and waste management; iii) countries, supported by partners, have developed action plans to address all these constraints; 2. At least 7 countries that were below 70% coverage in 2010 have increased their coverage by minimum 5% from the baseline.	8.2	10.1	24.2%	Technical assessments & action planning	<ul style="list-style-type: none"> • Increase in support for implementation of coverage improvement plans • Increase support to resolve vaccine supply and stock out issues in Nigeria and DRC
						Coverage Implementation support (WHO, Other)	
						Adapt the HSS mechanism (Sec)	
						HSS monitoring (WHO)	
2.1.2	Improve immunisation systems in GAVI countries through implementation of national health strategies supported by well aligned and functioning GAVI HSS grants that address key bottlenecks including gender related barriers	i) 80% of countries receiving GAVI HSS support demonstrate satisfactory implementation progress as assessed by IRC, JANS or equivalent independent mechanism. ii) 80% of GAVI HSS grants awarded since 2011 are fully aligned with the national health system development plans, which incorporates cMYPs	9.4	9.9	5.2%	HSS mechanism redesign (Sec, other)	<ul style="list-style-type: none"> • Increased technical support on HSS proposals, including M&E framework • Scaling up of the Service Availability and Readiness Assessment (SARA)
						HSS grant application & reprogramming (WHO)	
						HSS implementation support (WHO, Sec, Other)	
						HSS grant monitoring (WHO, Sec, Other)	
						HSS fiduciary control (Sec)	
						Improve HSS M&E frameworks (WHO)	
2.2.1	Increase equity (geographic, social strata, gender) of routine immunisation	7 out of the 10 countries with the highest inequity in vaccination coverage, supported by partners, have identified the main drivers of inequity, are able to monitor inequities, have implemented equity action plans, and GAVI HSS grants contribute to the funding of these plans.	6.2	6.9	11.9%	Equity assessments & action plans (UNICEF, WHO)	<ul style="list-style-type: none"> • Increased support to implement equity plans, including support for improvement of operational data and decentralised monitoring • New activity to develop and share lessons learnt on equity improvements
						Equity implementation support (UNICEF, WHO)	
						Develop global equity strategy (AVI TAC, WHO)	
2.3.1	Promote active engagement of Civil Society Organisations (CSOs)	At least 60% of countries, supported by partners, have actively engaged with CSO in the development, the implementation and the monitoring & evaluation of their GAVI HSS Grants, cMYPs and national health plans	2.7	4.2	55.6%	Development & support of GAVI CSO policy (Sec)	<ul style="list-style-type: none"> • Scaled-up support for CSO engagement in design/implementation of HSS grants in an additional 12 countries
						Support to in-country CSOs to engage in policy dialogue (CRS)	

PO	Programme objective	End of year deliverable 2014 No change since approved in 2012	Initial Budget 2014 (US\$ millions)	Revised Budget 2014 (US\$ millions)	% change in PO (initial to revised)	Main activities	Key shifts from initial to revised
3.1.1	Countries successfully mobilise resources required in their annual plans and budgets.	Countries finance 20% more of the routine immunisation costs (or reach 95% government financing)	1.8	2.0	7.6%	cMYP development & implementation (UNICEF, WHO, Sec)	• Increase by WHO on co-financing advocacy
						Co-financing advocacy (WHO)	
						Immunisation expenditure tracking (UNICEF, WHO)	
3.1.2	Implement the co-financing policy and secure domestic funding for all other routine vaccines	100% of countries fulfill their co-financing requirement and at least 80% of countries finance all other routine vaccines from domestic sources	1.7	1.9	14.0%	Support to improve sustainability of national financing for immunisation (WHO, UNICEF, Sec)	• Shift in UNICEF focus from global expenditure tracking to in-country support to co-financing; Increase in UNICEF budget
						Co-financing advocacy (AVI TAC)	
						Immunisation expenditure tracking (UNICEF, WHO)	
3.1.3	Support graduating countries in sustaining investment in immunisation	a) 100% of graduating countries have their vaccine requirements reflected in the 2015 national budgets b) 100% of countries have the capacity and processes in place for successful graduation	2.6	3.9	50.8%	Support to graduating countries (WHO, Sec)	• New activity by WHO on the National Health Accounts to track <i>national</i> immunisation expenditure • Increased involvement of the Sabin Institutes and African Development Bank
3.2.1	Expand and extend donor commitments	Raise 100% of the funds needed for the period 2011-2013, including through contributions from new donors	2.8	3.0	7.9%	Strategy development of donor engagement (Sec)	• Additional resources for the Secretariat to ensure continuous support from existing donors
						Key replenishment meetings (Sec)	
						Donor engagement (Sec)	
						Strengthen GAVI support networks (Sec)	
3.2.2	Broaden the public and private sector donor base	3 additional new donors secured by end of 2013	2.4	2.6	11.4%	IFFIm & AMC donor engagement (Sec)	• Additional resources for the Secretariat to improve new donor outreach efforts
						Broaden donor base (Sec)	
						Support new instruments for LMICS & market shaping (Sec)	
3.3.1	Grow and develop GAVI's innovative finance product portfolio (including scaling of IFFIm)	• Meaningful replenishment of IFFIm as part of overall GAVI replenishment • \$100 million commitments secured for the GAVI Matching Fund • Agree new third "+1" transaction for the GAVI Matching Fund	2.3	2.3	0%	Manage IFFIm (Sec)	• Shift in resources in the Secretariat to identify potential new IF products and increase private sector involvement
						Expand Matching Fund initiative (Sec)	
						Develop new Innovative Finance products (Sec)	
4.1.1	Strategically forecast the demand and supply for all vaccines in the GAVI portfolio	Bi-annual strategic demand forecast delivered to Board and annual strategic supply forecast completed	1.1	1.1	0%	Generate Supply & Demand Forecast (Sec)	• No significant changes
						Expand Supply & Demand Forecast (Sec)	
						Supplier landscape analysis (Sec)	
4.1.2	Ensure efficient and effective vaccine procurement and supply chain management	Procurement strategies implemented for new GAVI-supported vaccines	18.5	18.5	0%	Vaccine procurement (UNICEF SD)	• No significant changes
						Develop supply risk mitigation solutions to minimize interruption of supply (WHO)	
4.2.1	Develop instruments for lowering price to GAVI and countries and/or encouraging development of appropriate products	Two initiatives or instruments to decrease cost and/or to accelerate product development to GAVI and countries.	2.5	2.3	-5.6%	Support acceleration of vaccine development (WHO)	• Decrease of budget with refocus on vaccines identified through VIS (exclude Strep A)
						Design & implement vaccine procurement strategies (Sec)	
						Prices for LMICS & graduating countries (Sec)	

Annex 2: Update to Business Plan Baseline data and resulting updates to Indicators

1. Each year in July, WHO and UNICEF update immunisation coverage estimates for every member state. These revisions can also result in updates to historical data. Every time WHO/UNICEF revises the estimates for the 2010 baseline year, the corresponding baselines and targets for the GAVI strategy are also revised. Similarly, the Inter-agency Group for Child Mortality Estimation also revises its time series of estimates of the under-five mortality rate, and when their estimates for 2010 change, the baseline for the under-five mortality rate indicator in the GAVI strategy also needs updating. When baselines and targets are adjusted for the GAVI strategy in response to changes in estimates from the agencies responsible for producing the estimates, the level of ambition remains constant – for the coverage indicators, for example, the targeted increase in number of percentage points to be gained from baseline to 2015 does not change. Similarly, for the under-five mortality rate indicator, the targeted decrease in number of deaths per thousand live births from baseline to 2015 does not change.
2. For the indicator on country investment in vaccines per child, the target has been defined as ‘demonstrating an increasing trend’ rather than a specific amount because of difficulties collecting consistent data for this indicator. The GAVI Alliance has made a strategic shift to strengthen the measurement of country investments in vaccines and immunisation programmes through the National Health Accounts. In the medium term, this shift will significantly strengthen the ability to estimate country investments in vaccines per child in a systematic manner, but strictly speaking the estimates will not be directly comparable to previous estimates derived through the WHO/UNICEF Joint Reporting Form.
3. **New indicator “Measles First Dose Coverage”**: When the Board decided to invest in measles, they requested the Secretariat to develop an indicator to be reviewed by the Evaluation Advisory Committee. As such, a new indicator was approved by the EAC in July 2013. However, the EAC recommended that in view of the short time period (2013-2015) it would not be meaningful to quantify an associated target. As such, the indicator will be tracked but not in relation to achieving a specific quantifiable target. Like the country investment in vaccines per child indicator, the target for measles coverage has been defined as ‘demonstrating an increasing trend.’

The table below shows the original and, where applicable, updated targets for the relevant Business plan indicators. It also includes the new indicator “Measles First Dose Coverage”. For the full list of indicators and the status against the targets visit: <http://www.gavialliance.org/results/goal-level-indicators/>.

Revision of baseline and targets

Domain	Name of the indicator	Change log	Baseline	Target					Achievement	
			2010	2011	2012	2013	2014	2015	2011	2012
Mission	Under Five Mortality Rate	Previous ¹	91	89	87	85	83	81	89	88
		New ²	78	76	74	72	70	68	75	73
Strategic Goal 1: Coverage of new and underused vaccines	Pentavalent 3rd dose	Previous	38%	45%	50%	64%	75%	76%	40%	46% ^P
		New	39%	46%	51%	65%	76%	77%	41%	43%
Strategic Goal 2	DTP1-DTP3 Drop Out Rate	Previous	10%	10%	9%	9%	8%	8%	10%	9% ^P
		New	12%	12%	11%	11%	10%	10%	12%	12%
Strategic Goal 2	DTP3 Coverage Rate	Previous	76%	78%	79%	80%	81%	82%	74%	75% ^P
		New	75%	77%	78%	79%	80%	81%	74%	74%
Strategic Goal 2	MCV1 Coverage Rate	Previous	NA	This new indicator was approved by the EAC in July 2013. EAC recommended that in view of the short time period (2013-2015) it would not be meaningful to quantify an associated target for measles. This indicator therefore will be tracked without a target.					NA	NA
		New	76%						76%	76%
Strategic Goal 3	Country investment in vaccines per child	Previous	\$3.5	No interim target				TBD	\$3.5	NA
		New	\$3.8	Target is equal to increase					\$3.7	\$4.0
Strategic Goal 3	Fulfilment of co-financing commitments	Previous	90%	100%	100%	100%	100%	100%	93%	86%
		New	86% ³	100%	100%	100%	100%	100%	93%	86%

NB: P - Projected

1. "Previous" indicates the target value
2. "New" indicates the new target value
3. The 90% baseline was based on the 2009 values and has been adjusted to 86% based on the 2010 value of the indicator

Annex 3: Details of Secretariat budget

1. 2014 Secretariat Revised Budget

- 1.1 The Secretariat total budget will increase by US\$ 6.6 million overall, from US\$ 79.2 million for 2014 that the Board approved in December 2013 to US\$ 85.7 million.
- 1.2 More and more of GAVI’s “Secretariat” costs are for services performed by new implementing partners (“expanded partnerships”), funded by contracts awarded and managed by the Secretariat. The increased number of “contract partners” is consistent with the Board’s decision in the 2013-2014 Business Plan to expand the number of partners supporting GAVI’s work particularly at the country level. To better inform the Board of the underlying costs, the Secretariat has split the secretariat costs between “core” and “expanded partnerships” and these outlined in Figure 1 below.
- 1.3 The US\$ 6.6 million net increase in the Secretariat’s expenditure, as explained in Section B, is summarised below. Some revisions have also been made to prior estimates, with zero overall impact on the budget.

Figure 1: Secretariat budget 2014 – bridge from approved to revised budget

Secretariat Budget 2014 US\$ million	Core Secretariat	Expanded Partnerships	Total Secretariat
2014 Budget - as approved in Dec 2012	74.8	4.4	79.2
1 Improving programmatic effectiveness	1.6	0.7	2.3
2 Enhancing resource mobilisation efforts	1.1		1.1
3 Strengthening GAVI governance and Secretariat processes	1.2		1.2
4 Intensifying risk management	1.0		1.0
5 Implementation of GAMR policy **	0.7		0.7
6 Fully-funded fellowships **	0.3		0.3
	5.9	0.7	6.6
	8%	16%	8%
Revision of prior estimates:			
Depreciation	0.8		0.7
Exchange rate	0.8		0.8
Savings anticipated:			
Staff costs	-1.0		-1.0
Savings to be found	-0.5		-0.5
	0.0	0.0	0.0
	0%	0%	0%
Total proposed increase	6.0	0.7	6.6
	8%	16%	8%
2014 Budget - including proposed increase	80.6	5.1	85.7

** Supports "improving programme effectiveness"

1.4 Additional investments through Secretariat in 2014 (\$6.6 million)**1. Improving Programme Effectiveness: +US\$ 3.3 million****a) Strengthening Secretariat capacity (+US\$ 1.6 million)**

In order to properly support more intense engagement at the country level, an additional investment of ~\$900K is required to bolster resourcing capacity of the Country Programmes team. Additionally ~\$300k is being proposed to strengthen the country tailored approach including enhancing country-specific strategies (i.e. India) and vaccine specific studies (i.e. Yellow Fever and HPV). An increase in Country Programme travel (~\$250K) is requested to enable the implementation of country tailored approaches and ~\$160k will be directed towards strategic initiative analysis to further find opportunities for programmatic effectiveness.

b) Implementation of GAMR policy (+US\$ 0.7 million)

In June 2013 the board approved the principles and key elements of the proposed redesign of GAVI's grant application, monitoring and review systems (GAMR). This initiative aims to improve programme investment decisions and strengthen grant monitoring. It requires an investment of US\$ 0.7 million primarily related to staffing.

As described in the paper submitted to the PPC and Board, the re-designed grant application, monitoring and review system will tend to be cost neutral relative to the existing system, with regard to the Business Plan budget. Cost increases in some areas (e.g., more staff, more in-country review missions) will be offset by reductions in other areas, including cost savings from not convening an annual monitoring IRC. However, the real savings are expected to come as a result of paying closer attention to country grants that have a high risk and impact profile. For example, the Secretariat has engaged in more up-front work with a number of countries with large uncertainty in data sources and targets that are overly ambitious to better understand weaknesses in data and supply chain management systems and revise targets downward. For one large population country, a revision in the requested number of doses for year 2013 that came from this process of engagement led to savings of almost US\$2 million.

c) Fully funded fellowships (+US\$ 0.3 million)

In May 2013 the Norwegian Foreign Affairs Ministry agreed to support GAVI by fully supporting (and funding i.e. it is budget neutral) the placement of two Junior Professional Officers (JPOs) in GAVI. One JPO has been placed in the Country Programme team and the other in the Policy & Performance team.

2. Enhancing resource mobilisation efforts: (+US\$ 1.1 million)

In a replenishment year, this US\$ 1.1 million is mainly to increase capacity of the Resource Mobilisation team (~\$600k) to expand donor outreach, included through contracted in-country consultants, and develop country specific plans for the new potential donors (e.g. Middle East). An increase in funding for the innovative finance team (~\$150k) is proposed to strengthen private sector donor outreach as well accelerating in work product (financing instruments) development. In the lead-up to replenishment, travel by the CEO, Deputy CEO and CEO's Special Representative to Countries has increased significantly (~\$200k). An additional \$150k is included to support a high-profile GAVI-branded promotional event as part of profile-raising in replenishment year in key donor market(s), e.g. HPV forum.

3. Strengthening GAVI governance and Secretariat processes: (+US\$ 1.2 million)

Proposed budget adjustments also include an investment of ~\$200k in improving IT infrastructure in the support of strengthening "knowledge management" in the organisation along with an additional rental cost of ~\$260k projected for 2014. An additional investment of ~\$200k is proposed for professional development and training of GAVI staff in line with strong feedback from the Staff Survey. Governance costs are being increased by ~\$200k to reflect the additional advisors and additional meetings. ~\$200k is being added to support CSO Constituencies.

4. Intensifying risk management: (+US\$ 1.0 million)

Additional amounts are being budgeted to undertake an audit of the Internal Audit function (\$115k) and implement a new global Whistleblower Policy (~\$165k). The capacity of Transparency and Accountability team to undertake cash grant audits and other risk management initiatives is being supported through an additional investment of ~\$100k for consultants, and a further \$150k for vaccine grant audits. Neither the Finance nor Operations teams has had any increase in staffing over the past three years, while business activity grown significantly. With non-vaccine procurement now in excess of \$30 million per year, one new position is sought within the procurement team (~\$180k) to intensify risk management oversight processes. The Finance team needs one new position (~\$160k) to increase its risk and controls processes over financial infrastructure systems.

1.5 **Revision of prior estimates and anticipated savings** (net zero)

- (a) Depreciation: The original 2014 approved budget did not reflect the Board approved capital expenditure budget for 2013. The 2014 depreciation budget is being adjusted for this increase in the revised budget submission.
- (b) Exchange rate: Increase in budget of US\$ 0.8 million due to unfavourable movement in foreign exchange rates. This results from an increase in the value of the Swiss franc relative to the US dollar above the rate previously budgeted for 2014 and impacts expenditures in Swiss francs.

- (c) Staff costs: It is assumed that additional staff joining GAVI in 2014 would join throughout the year; hence the 2014 revised budget includes these costs for part of the year. The whole-year cost of these staff in 2015 would be US\$ 1.0 million more than their cost in 2014.
- (d) Savings to be found: A management adjustment of a further US\$ 0.5 million is being included in savings to be realised through further efficiencies to be achieved during 2014.

1.6 Distribution of Secretariat budget

Figures 2 and 3 present the Secretariat’s expenditures by expense type and department, respectively, showing the evolution for each year. The proportional distribution per the revised 2014 budget remains largely unchanged from the budget approved in December 2012.

Figure 2: Secretariat budget 2013 and 2014 – distribution by expense type

US\$ 000	Budget 2013		Change 2013 to 2014		Budget 2014		Change 2014 to 2014RB		Revised Budget 2014	
	Value	%	Value	%	Value	%	Value	%	Value	%
Salaries	39,162	51%	(0)	(0%)	39,162	49%	1,813	5%	40,975	48%
Other Costs:										
Training & Recruitment	1,451	2%	-	0%	1,451	2%	293	20%	1,744	2%
Outsourced Services	16,183	21%	1,642	10%	17,825	23%	1,944	11%	19,769	23%
Facility & Office Costs	10,843	14%	91	1%	10,934	14%	1,356	12%	12,290	14%
Travel	4,034	5%	175	4%	4,209	5%	416	10%	4,625	5%
Events & Meetings	4,842	6%	209	4%	5,050	6%	(14)	(0%)	5,036	6%
Media Production, Supplies & Other	430	1%	101	24%	531	1%	767	144%	1,299	2%
CEO Reserve		0%	-		0	0%	-		0	0%
Total Other Costs	37,783	49%	2,218	6%	40,001	51%	4,762	12%	44,763	52%
Partners' Forum 2012	51	0%	(51)	(100%)	-	0%	-		-	0%
Management adjustment	0	0%	-		-	0%	-		-	0%
TOTAL	76,996	100%	2,166	3%	79,163	100%	6,575	8%	85,738	100%
Staff numbers (FTEs)	192.0		0		192.0		12.5		204.5	

Figure 3: Secretariat budget 2013 and 2014 – distribution by department

US\$ 000	Budget 2013		Change 2013 to 2014		Budget 2014		Change 2014 to 2014RB		Revised Budget 2014	
	Value	%	Value	%	Value	%	Value	%	Value	%
Country Programmes	11,243	15%	176	2%	11,419	14%	2,250	20%	13,669	16%
Policy & Performance	13,828	18%	1,414	10%	15,242	19%	805	5%	16,046	19%
Resource Mobilisation	4,925	6%	297	6%	5,222	7%	569	11%	5,791	7%
Media & Communications	4,380	6%	178	4%	4,558	6%	337	7%	4,895	6%
Advocacy & Public Policy	2,744	4%	6	0%	2,750	3%	423	15%	3,173	4%
Other ERO	1,582	2%	19	1%	1,601	2%	(588)	(37%)	1,013	1%
Innovative Finance & DC Office Services	3,049	4%	8	0%	3,058	4%	37	1%	3,094	4%
Internal Audit & TAP	2,875	4%	(6)	(0%)	2,870	4%	475	17%	3,345	4%
Executive Office & HR	5,954	8%	-	0%	5,954	8%	667	11%	6,621	8%
Finance & Operations	11,004	14%	73	1%	11,077	14%	351	3%	11,428	13%
Legal & Governance	5,438	7%	(74)	(1%)	5,365	7%	244	5%	5,609	7%
Corporate Costs **	9,972	13%	76	1%	10,048	13%	1,005	10%	11,053	13%
TOTAL	76,996	100%	2,166	3%	79,163	100%	6,575	8%	85,738	100%

** Includes Facility & Office costs and Mgt Adjustment

1.7 Capital expenditure: Requests for board approval of capital expenditure budgets are made on an annual basis and a new budget request for \$3.6 million is being sought for 2014. Details of this budget are illustrated in Figure 4 below. For information purposes the 2013 board approved capital expenditure budget is also shown. Key components of capital expenditure anticipated in 2014 are:

- (a) Knowledge management: (US\$ 1.2 million)
 - Secretariat information systems and process are being significantly enhanced to improve efficiency and effectiveness. This will enable more effective cross-team processes and the retention of and sharing of knowledge including with more accurate, timely and consistent information.
- (b) Online country portal and data warehouse: (US\$ 1.1 million)
 - Further development of functionality to meet evolving business processes and data needs for tracking and monitoring results
- (c) IT Infrastructure: (US\$ 1.1 million)
 - Scheduled replacement and upgrading of components of the IT operating environment and user equipment.
- (d) Leasehold improvements: (US\$ 0.2 million)
 - Adjustments to office space & equipment to accommodate addition staff.
- (e) Business systems: (US\$ 0.1 million)
 - Enhancement of financial forecasting capacity

Figure 4: Budget for Capital Expenditure in 2014 (GAVI Secretariat)

	2013 Budget	2014 Budget
Capital Expenditure		
<i>in US \$'000</i>		
Knowledge Management	311	1,183
CRM, Sharepoint	311	297
Knowledge Management application development		886
Online Country Portal	347	590
Further development; functionality for proposal screening, TAP, etc.	347	590
Enterprise Data Warehouse	460	360
Further development	335	335
Master data management	125	25
Business Systems (ERP)	520	100
Axapta upgrade to 2012 version	150	0
Axapta - grant management	250	0
HR management suite	120	0
IBM Clarity enhancement	0	100
IT Infrastructure	1,501	1,145
Data centre equipment & licences	1,138	825
Laptops & docking stations	233	60
Conference rooms - replacements & build-out	130	110
Other	0	150
Leasehold improvements	275	218
Alteration of Geneva office space	200	143
Additional Workstations Geneva	0	75
Alteration of DC office space	75	0
Total Capital Expenditure	3,414	3,596
<u>Depreciation charge:</u>		
Annual depreciation @ 33%		1,199
Depreciation charge in 2014		599

2. 2013 Spend by the Secretariat

2.1 Figure 5 presents the Secretariat’s business plan expenditure for the first eight months of 2013, and a forecast for the whole year.

Figure 5: Secretariat 2013 Budget – current and forecast utilisation

US\$ 000	Budget 2013		Actual 2013 (Aug YTD)		% spent	Forecast 2013		% spent
Salaries	39,162	51%	24,248	56%	62%	37,100	48%	95%
Other Costs:								
Training & Recruitment	1,451	2%	529	1%	36%	1,486	2%	102%
Outsourced Services	16,183	21%	7,693	18%	48%	18,100	24%	112%
Facility & Office Costs	10,843	14%	6,542	15%	60%	10,999	14%	101%
Travel	4,034	5%	2,652	6%	66%	4,285	6%	106%
Events & Meetings	4,842	6%	1,573	4%	32%	4,342	6%	90%
Media Production, Supplies & Other	481	1%	390	1%	81%	644	1%	134%
TOTAL	76,996	100%	43,627	100%	57%	76,957	100%	100%

2.2 As at the end of August 2013, 57% of GAVI’s Secretariat budget for 2013 had been utilised. Salaries costs are currently running under budget for the year due to unfilled posts. Some of these positions have been temporarily resourced through outsourced services. It should be noted that the budget is traditionally heavily weighted to the latter months of the year where there is higher travel (e.g. associated with the Board meeting and Replenishment Mid-Term Review) and outsourced costs being incurred to complete various projects.

2.3 The current forecast, based on teams’ assessment of future activity in the remainder of 2013, indicates whole-year total expenditure at 100% of the budget. As mentioned in Section A paragraph 5.6, expenditure in 2013 will absorb some activities that were budgeted for 2012 in an amount of US\$ 4.9 million, for which no carry-forward to the 2013 budget has yet been sought. Upon taking that into account, it is likely that final 2013 expenditure will be close to budget.