

## Gavi Alliance Board Meeting

2-3 December 2015

Starling Hotel, Geneva, Switzerland

### 1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 09.00 Geneva time on 2 December 2015. Dagfinn Høybråten, Board Chair, chaired the meeting.
- 1.2 The Chair welcomed new Board members and alternate Board members, as well as René Karsenti, Chair of the International Finance Facility for Immunisation (IFFIm), other directors of the IFFIm Board and Rob Moodie, Chair of the Evaluation Advisory Committee. The Chair noted that departing members would be recognised for their service at the dinner that evening.
- 1.3 The Board had met in executive session the evening before to discuss a number of items including issues in relation to defaulting countries, country audits, Ebola and the annual performance review of the CEO.
- 1.4 Standing declarations of interest were tabled to the Board (Doc 01a in the Board pack). The Chair noted that in the context of the items for decision on the agenda, there were a number of Board members who would have conflicts of interest and that these would be raised at the appropriate time and recorded in the applicable parts of the minutes. He also reminded Board members to ensure that the required declarations are completed and submitted timeously.
- 1.5 The Board noted its minutes from 10-11 June 2015 (Doc 01b) and from 18 September 2015 (Doc 01c), which were approved by no objection respectively on 22 September 2015 and 17 November 2015. The Board also noted its workplan (Doc 01c).
- 1.6 The Chair reminded Board members that it had been planned that this meeting would be held in Nepal but that it had regrettably not been possible. He extended his thanks, on behalf of the Board, to Khaga Raj Adikhari, Board Member from Nepal, and to the Government of Nepal for their understanding of the decision to relocate the meeting to Geneva. He expressed admiration for the tremendous efforts that Nepal has accomplished in immunisation and in this context introduced a short film on this work.
- 1.7 Finally, the Chair expressed solidarity with France and the city of Paris following the terrorist attacks of 13 November 2015.

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## 2. Consent agenda

- 2.1 The consent agenda included the recommendation of the Governance Committee for Board and Committee member appointments (Doc 02a), Committee Chair appointments (Doc 02b), Committee Charters amendments (Doc 02c) and IRC nominations. It also included the recommendations of the Audit and Finance Committee for the Programme funding policy update (Doc 02e) and the Audit and Investigations Terms of Reference (Doc 02f).

### Decision One

The Gavi Board:

a) **Appointed** the following Board Members:

- **Sania Nishtar** as an Unaffiliated Board Member in the seat currently held by Wayne Berson effective 1 January 2016 and until 31 December 2018.
- **Edna Yolani Batres** of Honduras as Board Member representing the developing country constituency in the seat currently held by Andrei Usatii of Moldova effective 1 January 2016 and until 31 December 2018.
- **Raymonde Goudou Coffie** of Côte d'Ivoire as Board Member representing the developing country constituency in the seat currently held by Awa Marie Coll-Seck of Senegal effective 1 January 2016 and until 31 December 2018.
- **Ingrid-Gabriela Hoven** of Germany as Board Member representing the France, Luxembourg, European Commission, and Germany donor constituency in the seat currently held by Mariam Diallo of France effective 1 January 2016 and until 31 December 2016.
- **Samba O. Sow** as Board Member representing the Research and Technical Health Institutes constituency in the seat currently held by Zulfiqar A. Bhutta effective 1 January 2016 and until 31 December 2017.

b) **Reappointed** the following Board Members:

- **Richard Sezibera** as an Unaffiliated Board Member until 31 December 2018.
- **Angela Santoni** of Italy as Board Member representing the Spain and Italy donor constituency until 31 December 2016.

c) **Appointed** the following Alternate Board Members:

- **Sergey Khchatryan** of Armenia as Alternate Board Member to Edna Yolani Batres of Honduras representing the developing country constituency in the seat currently held by Bheri Ramsaran of Guyana effective 1 January 2016 and until 31 December 2018.
- **Felix Kabange** of the Democratic Republic of the Congo as Alternate Board Member to Raymonde Goudou Coffie of Côte d'Ivoire representing the developing country constituency in the seat currently held by Dorothee Kinde Gazard of Benin effective 1 January 2016 and until 31 December 2018.

- **Jan Paehler** of the European Commission as Alternate Board Member representing the France, Luxembourg, European Commission, and Germany donor constituency in the seat currently held by Marcus Koll of Germany effective 1 January 2016 and until 31 December 2016.
  - **Bradford Gessner** as Alternate Board Member to Samba O. Sow representing the Research and Technical Health Institutes constituency in the seat currently held by Samba O. Sow effective 1 January 2016 and until 31 December 2017.
- d) **Reappoint** the following Alternate Board Member:
- **Javier Hernández Peña** of Spain as Board Member representing the Spain and Italy donor constituency until 31 December 2016.
- e) **Appoint** the following to the Executive Committee effective 1 January 2016:
- **Ngozi Okonjo-Iweala** (statutorily appointed)
  - **Flavia Bustreo** (statutorily appointed)
  - **David Sidwell** until 31 December 2017
  - **Orin Levine** until 31 December 2017
  - **Geeta Rao Gupta** until 31 December 2017
  - **Tim Evans** until 31 December 2017
  - **Donal Brown** until 1 July 2016
  - **Bahar Idriss Abugarda** until 31 December 2017
  - **Seth Berkley** (non-voting and statutorily appointed).
- f) **Appointed** the following to the Audit and Finance Committee effective 1 January 2016:
- **David Sidwell** until 31 December 2017
  - **Shanelle Hall** until 31 December 2017
  - **Jo-Ann Purcell** until 1 July 2016
  - **Katherine Taylor** until 30 June 2017
  - **Marcus Koll** until 31 December 2017
  - **Francois Lefebvre** until 31 December 2017
  - **Clarisse Loe Loumou** until 30 June 2017
  - **Heidi Malene Nipe** until 31 December 2017

- g) **Appointed** the following to the Governance Committee effective 1 January 2016:
- **Flavia Bustreo** (statutorily appointed)
  - **Gunilla Carlsson** until 31 December 2017
  - **Orin Levine** until 31 December 2017
  - **Donal Brown** until 1 July 2016
  - **Blair Exell** until 30 June 2017
  - **Eivind Homme** until 31 December 2016
  - **Javier Hernández Peña** until 31 December 2016
  - **Jan Paehler** until 31 December 2017
  - **Naveen Thacker** until 30 June 2017
  - **Laura Laughlin** until 31 July 2017
  - **Kesetebirhane Admasu** until 31 December 2017
  - **Samba O. Sow** until 31 December 2017
  - **Seth Berkley** (non-voting).
- h) **Appointed** the following to the Investment Committee effective 1 January 2016:
- **Stephen Zinser** until 30 June 2017
  - **William Roedy** until 31 December 2017
  - **David Sidwell** until 31 December 2017
  - **Yifei Li** until 31 December 2017.
- i) **Appointed** the following to the Programme and Policy Committee effective 1 January 2016:
- **Richard Sezibera** until 31 December 2017
  - **Sania Nishtar** until 31 December 2017
  - **Jason Lane** until 31 December 2017
  - **Susan McKinney** until 31 December 2017
  - **Mariam Diallo** until 31 December 2017
  - **Lene Lothe** until 31 December 2016
  - **Ahmed Jan Naeem** until 31 December 2017
  - **Lindsey Dietschi** until 31 December 2017

- **Rajinder Suri** until 31 December 2017
  - **Jean-Marie Okwo-Bele** until 31 December 2017
  - **Robert Oelrichs** until 31 December 2017
  - **Violaine Mitchell** until 31 December 2017
  - **Zulfiqar Bhutta** until 31 December 2017
  - **Robin Nandy** until 31 December 2017
  - **Seif Seleman Rashid** until 31 December 2017
  - **Shanta Bahadur Shrestha** until 31 December 2017
  - **Edna Yolani Batres** until 31 December 2017
  - **Dure Samin Akram** until 31 December 2017
  - **Seth Berkley** (non-voting).
- j) **Appointed** the following to the Evaluation Advisory Committee effective 1 January 2016:
- **Angela Santoni** until 31 December 2016
  - **Wieneke Vullings** until 31 December 2016
  - **Samba O. Sow** until 31 December 2017
  - **Fred Binka** until 31 December 2016
  - **Gonzalo Hernández** until 31 December 2016
  - **Zulfiqar A. Bhutta** until 31 December 2017
  - **Jeanine Condo** until 31 December 2017

*Board members who were candidates for these positions, or whose organisations or constituencies provided candidates for these positions, did not participate in voting on these appointments.*

## **Decision Two**

The Gavi Board:

- a) **Appointed**
- **David Sidwell** as Chair of the Audit and Finance Committee effective 1 January 2016 and until 31 December 2017

b) **Reappointed**

- **Stephen Zinser** as Chair of the Investment Committee effective 1 January 2016 and until 30 June 2017
- **Richard Sezibera** as Chair of the Programme and Policy Committee effective 1 January 2016 and until 31 December 2017

*Board members who were candidates for these positions, did not participate in voting on these appointments.*

**Decision Three**

The Gavi Board:

- a) **Approved** amendments to the Audit and Finance Committee Charter as outlined in Annex A to Doc 02c
- b) **Approved** amendments to the Programme and Policy Committee Charter as outlined in Annex B to Doc 02c

**Decision Four**

The Gavi Board:

- **Extended** the terms of the IRC members listed in Annex A of Doc 02d for a further three-year term until March 2019.

**Decision Five**

The Gavi Board:

- **Approved** the amended Gavi Programme Funding Policy attached as Annex A to Doc 02e.

**Decision Six**

The Gavi Board:

- **Approved** the revised Audit and Investigations Terms of Reference attached as Annex A to Doc 02f.

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**3. CEO's report**

- 3.1 Seth Berkley, CEO, delivered his report to the Board (Doc 03). He highlighted some of the key events which had taken place since the last Board meeting, and that there had been more changes in Gavi during this period than in the entire history of the organisation.

- 3.2 The CEO reported on Gavi's involvement globally, and in particular highlighted where Gavi fits within the new global health goal and the work which Gavi is doing to try to ensure that a vaccine indicator is included in the list of indicators for the Global Goals to be finalised by March 2016. He referred to the recognition given to Gavi as a successful financing model in Addis Ababa in July 2015 at the *Financing for Development* event, and he referred to the work of Gavi in relation to the outbreak of viruses such as Ebola, measles and polio.
- 3.3 He provided an update on a wide range of issues such as the appointment of the Board Chair-elect, the diversification of Gavi's donor base, the evolving collaboration with the Global Fund for AIDS, Tuberculosis and Malaria (GFATM), on the awards given during the year for IFFIm's Sukuk, and on the large number of Gavi-supported vaccine introductions which continue to take place.
- 3.4 The CEO provided an update on some of the indicators and targets for the 2011-2015 strategic period, and highlighted that four countries will transition from Gavi support on 31 December 2015, namely Bhutan, Honduras, Mongolia and Sri Lanka.
- 3.5 He highlighted the main tasks for the Alliance during the 2016-2020 period, namely maintaining the momentum of vaccine introductions, increasing coverage and equity, strengthening routine immunisation and ensuring sustainability and in this context stressed the importance of the new country-focused approach to delivery on the strategy. He referred to a number of improvements that will be made to deliver on the strategy, namely in the areas of risk management, knowledge management and grant management.
- 3.6 Finally, he paid tribute to the Board Chair, Dagfinn Høybråten, with whom he had worked very closely over the past number of years and he was pleased to announce that Mr Høybråten had agreed to take on a role as a Special Envoy for Gavi at the end of his term as Board Chair.

### *Discussion*

- The Chair and Board members commended the CEO on his report and strong leadership.
- Board members indicated that it would be useful to have a strategic discussion at the Board Retreat on the planned level of investments in lower income countries, compared to lower middle income countries, as it would appear that the proposed level of investment of 56% in lower income countries in the 2014 investment case, could drop to less than 50% in the context of some of the new initiatives being proposed. In this context it was felt that it could indeed be useful for the Board to have an analysis of the impact of Gavi's investments, how they are apportioned for example between lower income countries, fragile states and conflict states etc. so that the Board can clearly understand the trade-offs.
- Some Board members proposed that it would be useful to have a discussion on equity and in particular in relation to potential mechanisms to hold countries accountable for the equity targets in the context of the new strategic goal. It was



acknowledged that this could be challenging in particular where the targets might not be reached for political or social reasons but useful for the Board to reflect on and discuss.

- Board members noted that some of the Partners' continue to work in very challenging environments and provide immunisation services in countries or regions which are in a constant state of conflict and it was suggested that there might be an opportunity at a future Board meeting to showcase some of this work.
- One Board member wondered whether the high targets for new vaccine introductions are compatible with the need to ensure sustainability in the longer-term. The CEO noted that while there is of course no push to countries to take vaccines they can't sustain, the Gavi model is such that when countries apply for Gavi support, the IRC considers that they are adequately prepared before new vaccines are introduced. Going forward, the endeavor is to prepare countries to fully understand the sustainability implications in line with the new policy.
- The importance of ensuring that civil society organisations and communities play a role at the country level was highlighted. Board members noted that the CSO constituency is preparing a five year strategy document to align with the Gavi strategy, which will include an accountability framework, and will extend its support to Gavi to improve equitable and sustained coverage.
- One Board member suggested that Gavi could play a catalytic role in producing a global immunisation report, annual or otherwise as appropriate, which could bring together the information on coverage and equity as well as vaccine cost effectiveness which is currently quite dispersed.
- In response to a question from a Board member the CEO indicated that it is still foreseen that the target of administering the HPV vaccine to 30 million girls by 2020 can be reached and that the Board will of course be informed should it be expected that this might not be the case.
- In relation to market shaping one Board member suggested that, in order to ensure sustainability for countries after their transition, it would be critical for Gavi to start shaping the global market beyond the market established for Gavi-eligible countries. The CEO indicated that while the Board has made it clear that market shaping efforts should be focused on Gavi-eligible countries, the work does impact the global market in particular when there are new manufacturers and consequently additional vaccine production capacity as well as more competition.
- One of the Board members representing the developing countries constituency indicated that it would be useful for them if Gavi could find a way to support fora where the countries could meet and discuss some of the key issues being identified by Gavi, including issues around countries defaulting on their co-financing obligations. The relevant Board members could play a leading role in this and it might be an opportunity to address issues which need to be solved in a more timely manner. It would also be most useful for Ministers of Health to have support to increase collaboration with their Ministers of Finance and the Board noted that



this is an area of development which is of particular interest for the Board Chair Elect.

- One Board member suggested that it would be useful to do some work on defining a new coverage indicator for 2030, perhaps going beyond DTP3. The CEO indicated that this is something which could be looked at, in particular if there is no vaccine indicator in the SDG monitoring framework.
- Board members noted that health systems strengthening (HSS) remains a priority for Gavi while acknowledging that Gavi does have limited resources for this.
- One Board member noted that as it is still not known what full immunisation financing represents, and therefore the Gavi contribution relative to this, it would be useful to work on developing metrics that would represent effective immunisation financing at the national level. One challenge relates to health worker metrics and discussions on how these might be measured are taking place.

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#### **4. Committee Chair and IFFIm Board reports**

- 4.1 The Chair introduced this item, underlining the importance of the work of the committees and appreciation for the service of Board Members, Alternate Board Members and their Committee Delegates on these Committees.

##### *Executive Committee*

- 4.2 The Chair delivered the report of the Executive Committee noting that since the June 2015 Board meeting, two in-person meetings of the Executive Committee had been held and one teleconference. At the meeting on 18 September, the discussions included the Chair's proposal to enhance and greater formalise the CEO appraisal process, the Ebola vaccine and a mitigation plan that dealt with a number of commercially-sensitive decisions. It also addressed a number of time-sensitive programme funding decisions that arose from the July IRC meeting. The 18 November teleconference sought EC guidance on the CEO appraisal process following the September discussion and received an update from the CEO on the current situation regarding Ebola. The in-person meeting held on 1 December discussed the CEO performance for the past year and which was reported to the Board in closed session.

##### *Governance Committee*

- 4.3 Flavia Bustreo, Vice Chair of the Board and Governance Committee Chair, highlighted the three priorities of the committee: (i) the Board Chair recruitment; (ii) initiation of a transparent and enhanced process for the recruitment of Unaffiliated Board members; and (iii) resolving the issue of the Executive Committee composition.
- 4.4 The Board Vice Chair thanked members of the Governance Committee and the Recruitment Subcommittee for having ensured the timely recruitment of the new

Board Chair as well as their unanimous and excellent choice in what was a thorough and extensive global search conducted with the assistance of an independent search consultant.

- 4.5 The Governance Committee had undergone a detailed process to collect suggestions of suitable candidates from the Gavi community and from other sources for Board and Committee membership, and she underlined the significant process of examining the nominations but also the intense work to maintain the gender balance.
- 4.6 The Vice Chair noted the discussions at the Governance Committee on the composition of the Executive Committee and noted that this would be further discussed with the current and in-coming Board chairs and submitted later in the proceedings for consideration.
- 4.7 The Vice Chair informed the Board of actions to be taken in 2016 including the self-evaluation of the Board and Committees which will be submitted for discussion at the December 2016 meeting, the appointment of a new Board Vice Chair to be initiated in June, and a general review and update of the Statutes, By-Laws and Committee Charters that will likely flow into 2017.
- 4.8 She thanked all the members of the Governance Committee for their fruitful collaboration over the year, with special gratitude to those who were leaving at the end of 2015.

#### *Programme and Policy Committee*

- 4.9 Richard Sezibera, Programme and Policy Committee (PPC) Chair, delivered the report of the PPC noting that the Committee had met on 7-8 October 2015 and had had two teleconferences: on 6 November with the Audit and Finance Committee and on 12 November 2015. He highlighted the Committee's discussions in May and October on the rubella and measles strategy and Gavi's continuing role. It will require the engagement of Gavi countries with long-term, sustainable planning and budgeting, and an additional US\$ 220 million was forecasted until 2020.
- 4.10 The PPC had held detailed, deep and frank discussions on the Alliance partnership strategy with India and had endorsed a set of principles so as to be catalytic, holistic and time-bound for the country's needs. This is one of Gavi's largest countries and has been treated differently by the Board due to its size but some of the key components, such as coverage and equity support, new vaccines support, market shaping and transition planning were addressed. The PPC recommended that US\$ 500 million be provided for investment and market shaping collaboration.
- 4.11 The PPC had discussed the goal level indicators and targets for the strategic period 2016-2020 and tried to strike the right balance between realism and ambition which can be controversial – seven additional indicators were recommended for approval.

- 4.12 The PPC Chair updated the Board on the Partners' Engagement Framework (PEF) where foundational support had already been endorsed by the Board in June, the partners were currently developing country-specific targeted country assistance packages and that global and regional activities for the data and supply chain strategic focus areas were being developed.
- 4.13 Following the June meeting, where the Board had approved the structure of the Alliance accountability framework, including strategy indicators, Alliance KPIs and specific processes for countries, the PPC had requested the Secretariat to further develop the Alliance KPIs and begin implementing with the partners and update the PPC at its next meeting in May 2016.
- 4.14 The updates on malaria from the clinical trials would provide guidance on the potential options for Gavi engagement and the Board would address this matter at its June 2016 meeting.
- 4.15 The Chair thanked the PPC members for their engagement, the Board members who had attended PPC meetings as observers and the Secretariat for their outstanding technical work in meeting PPC requests.

#### *Audit and Finance Committee*

- 4.16 David Sidwell delivered the report of the Audit and Finance Committee (AFC) on behalf of Wayne Berson, Audit and Finance Committee Chair. He noted that it had had three meetings since the June 2015 Board meeting, one by teleconference on 21 July and two in-person meetings, one on 6 November, partly with the Programme and Policy Committee, and one on 1 December.
- 4.17 The independent auditors, KPMG, had no significant issues to relate on Gavi's financial controls. It was important to realise the complexity of Gavi's financial matters and Mr. Sidwell congratulated the Secretariat on their excellent and punctual work. As an example, he referred to the filing of the tax IRS Form 990 ahead of schedule by 15 November, which showed their true professionalism.
- 4.18 The AFC had received reports from the Managing Director, Audit and Investigations on a range of topics include: the status of Audit and Investigations re-organisation; audit plans (2015 plan status and 2016 plan proposal); programme audit plans (2015 plan status and 2016 plan proposal); updates on Whistleblower reporting and country-related matters including misuse and reimbursement; and the status on implementation of the recommendations arising from the External Quality Assessment. The revision of the Audit and Investigations Terms of Reference of the Audit and Investigations team had been completed, as approved by the Board at this meeting. Ten new members of staff had been recruited in the year, which was essential in establishing the function appropriately, consistent with the Board-approved mandate. The audit and investigations work was already well underway and the AFC especially welcomed the considerable progress that had been made in terms of audit execution against plan. The Audit and Investigations function was regarded as fit-for-purpose.

- 4.19 The plans for 2016 were well designed and at its November meeting, the AFC had carefully examined and ensured that Gavi had the capacity to fund its programmatic work, e.g. measles and increased investment in India.
- 4.20 The AFC held a very useful joint meeting with the PPC on 6 November at which the AFC agreed to recommend the Partners' Engagement Framework (PEF) budget. The McKinsey report was discussed at length, emphasising the work of the Secretariat, and the AFC noted that there had been a lower request for new staff positions than recommended by the report, which was testimony to operational efficiencies sought by the Gavi Secretariat.
- 4.21 The AFC had also reviewed and discussed the risk management report, which identified the measurement and mitigation of risks, which was useful for the Board's discussion to follow later in the meeting.
- 4.22 The AFC reviewed the very active hedging policy, which was most important as it was in US dollars. However, signed commitments arising from the donor pledges were needed and a schedule of contributions drawn up before Gavi could act at the level it wished.
- 4.23 The AFC had worked over the summer on the timing of the completion of the consolidated annual financial report given its complexities but required further discussion with the World Bank in 2016. This had had a significant impact on the work of the Secretariat, as was their work on the review of the charter.
- 4.24 The AFC Chair expressed his gratitude to the Secretariat for their very hard work and support.

#### *Investment Committee*

- 4.25 Stephen Zinser, Investment Committee Chair, delivered the report of the Investment Committee, which had met twice since the June Board meeting, on 26 August and 4 November by teleconference. He updated the Board on the macro environment and markets, the portfolio and performance review, and the key priorities for 2016.
- 4.26 He advised that key factors in the macro environment contributing to heightened uncertainty was the extent and duration of rate hikes from the US Federal Reserve, risks associated with the re-balancing of the Chinese economy and the extent of the drop and ongoing volatility in global oil prices.
- 4.27 Equity valuations after such a strong run seemed less attractive, particularly in North America, the market cycle for fixed income is late stage, low yields are likely to result in modest fixed income returns going forward and the corporate credit markets are showing signs of deteriorating fundamentals.
- 4.28 He reviewed the short-term and long-term investment portfolio objectives, emphasising both return and capital preservation aspects. He informed the Board that over the long term the risk adjusted returns which have been generated by the small team of three Gavi staff members were, in his opinion, world class. The

team and the Investment Committee should also benefit going forward from the recent appointment of a high caliber consultant.

- 4.29 At the November Investment Committee meeting the Committee reviewed several asset allocation scenarios and discussed appropriate risk-reward framework for Gavi's investment portfolios. The Committee also discussed a weaker market outlook and agreed on adding more fund strategies that were less market directional. The asset allocation discussion, in particular, identified potential changes to the investment policy with regard to exposure categories and permitted allocation ranges.

#### *International Finance Facility for Immunisation*

- 4.30 René Karsenti, Chair of the IFFIm Board, delivered a report of the activities of the IFFIm Company. He reminded the Board that since 2006 the IFFIm funded US\$ 2.5 billion of Gavi's programmes, which represents around one-third of Gavi's total funding. Around US\$ 1.3 billion represents the amount of expected proceeds during the 2016-2020 period which included estimated proceeds from new pledges (France, the Netherlands and Australia).
- 4.31 Dr. Karsenti informed the Board that IFFIm had successfully raised a total of US\$ 5.2 billion in issuance bonds and in September the first social responsibility investment resulted in a sukuk transaction of US\$ 200 million which had given good visibility to Gavi, especially in the Gulf regions.
- 4.32 IFFIm is looking at other opportunities to collaborate with Gavi, to place bonds in different markets with a cost-effective objective. The continued discussion on IFFIm's strategic role was timely and a strategy retreat had taken place in November to better understand how IFFIm can be best used to support Gavi programmes in its next strategic phase and perhaps be used in other areas. Dr. Karsenti added that IFFIm had been specifically endorsed at the UN Third International Conference on Financing for Development in July.
- 4.33 IFFIm was focusing on three areas with its stakeholders: helping Gavi to develop new vaccines, exploring how to provide a solution to strengthen market shaping including the cold chain, and supporting strategic focus such as pandemics.
- 4.34 Finally, Dr. Karsenti informed the Board that Doris Herrera-Pol formerly of the World Bank had been appointed to the IFFIm Board for three years.
- 4.35 In response to a question regarding future areas to support, Dr. Karsenti agreed that areas linked with energy efficiency could be very interesting in terms of financing but would have to be done outside of IFFIm whose principal role is to support Gavi's strategic priorities.

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## **5. Resource Mobilisation and Private Sector Partnerships update**

- 5.1 Marie-Ange Saraka-Yao, Managing Director, Resource Mobilisation and Private Sector Partnerships presented an update on the fund-raising efforts made thus far (Doc 05). The key characteristic was the diversity in funding sources with close to 50 pledges to negotiate and convert into binding agreements. It was hoped that by the end of the year, 75% of these resources would be secured in formal contracts.
- 5.2 She indicated that despite the significant progress made, there were many challenges to face, for example, the current refugee and security crises, and therefore continued commitment to earlier pledges by donor governments affected by these crises was greatly needed. Efforts were being made to secure funding disbursements and in managing the increasing base of donors and agreements and working with new donors to deepen their engagement.

### *Discussion*

- The Chair emphasised the achievements regarding donor pledges reached at the pledging conference in Berlin. This required hard work carried out in an orderly way by the Secretariat. He recalled that China was extremely serious about its involvement with Gavi and had now moved from being a recipient to a donor and manufacturer for Gavi which was an exciting progression.
- Board members commended and encouraged the new and labour-intensive efforts made by the Secretariat, especially in the private sector, and in view of the current economic climate.
- Ms Saraka-Yao indicated that Gavi was working on a private sector strategy in line with its overall 2016-2020 strategy, which will certainly help to raise the visibility of Gavi. The CEO added that at this time of moving into the new strategic period one of the challenges will be to determine which private sectors would be most strategically useful and then turned into eventual partners.

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## **6. Financial forecast and programme funding request**

- 6.1 Barry Greene, Managing Director, Finance and Operations, presented an update of the financial forecast for 2011-2020, the evolution since the January 2015 replenishment, financial implications and potential future needs (Doc 06).
- 6.2 He pointed to both Gavi-funded support and country co-financing continuing to increase through 2018, after which the Gavi amount decreases as the country share increases. Country co-financing averaged US\$ 0.1 billion per year for 2011-2016 and this is forecast to double for 2016-2020.
- 6.3 The needs for the five-year period 2016-2020 totalled US\$ 7.0 billion, leaving US\$ 0.4 billion available to increase the resources anticipated for 2016-2020 to US\$ 9.8 billion. Those resources include (non-US dollar) pledges that will be hedged to US dollars when the contribution agreements are signed. The hedge



rate will then determine their value. Unhedged pledges are valued using current forecast rates, less a provision of US\$ 150 million for potential future exchange rate declines related to those rates.

### *Discussion*

- Board members welcomed the shorter and clear style of the financial report as well as the additional visibility provided on upcoming funding decisions.
- One Board member observed the 40% increase in Secretariat and PEF expenditure estimates since 2013, acknowledging that the PEF as a whole cannot be counted as overhead, as was the case for the business plan, It was suggested that it would be helpful to create a proposal on how to present operating expenses in a more transparent way in the future, and suggested that this should include the cost of Partners and their work on the ground. Some Board Members offered to be part of a group who could work on this together with the Secretariat.
- It was also noted that the expected decrease in the vaccine programme expenditures is largely due to price changes but also in some cases due to delays in vaccine programmes. It was suggested therefore that in order for the Board to understand the trade-offs in order to facilitate discussions when considering new strategic decisions, it would be helpful to share regularly with the Board (or at the least the PPC) updated country forecast demands.
- One Board member queried why, if expenditures were expected to decrease from 2018, there would not also be an expected decrease in the funding needed for Partners and Secretariat, The Board noted that in the presentation the figures for the Partners and Secretariat had simply been carried over from 2016 and that these figures would be rectified going forward. The CEO indicated that there were potential factors that would have to be taken into consideration which may not enable a radical decrease in these costs.
- Following a request from a Board member the Secretariat agreed to look at presenting all expenditure related to direct financial support under one budget line.
- Regarding strategic investments, Mr. Greene advised that of the provision of US\$ 500 million included in the Berlin needs estimate for 2016-2020, US\$ 269 million was consumed by the three investments approved in June 2015 and the remainder would be consumed by the investments for consideration at this Board meeting.

### **Decision Seven**

The Gavi Board:

#### **2016 Envelope for “unrestricted” countries**

- **Approved** a 2016 Programme Funding Envelope for unrestricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2016, to endorse or adjust previously



endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US\$ 2,807 million. (These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)

The Gavi Alliance Board in session without the participation of US citizens and residents:

### **2016 Envelope for “restricted” countries**

- **Approved** a 2016 Programme Funding Envelope for restricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2016, to endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US\$ 20 million. (These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)

*Tim Evans, Geeta Rao Gupta, Orin Levine, William Roedy, David Sidwell, Katie Taylor and Stephen Zinser did not participate in discussion or voting. Seth Berkley did not participate in discussion and was ineligible to vote.*

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## **7. Gavi’s Measles and Rubella strategy**

- 7.1 Before handing over to Stefano Malvolti, Director, Vaccine Implementation, the CEO introduced the item, reminding the Board that the new strategy for measles and rubella had stemmed from a request of the PPC in May. This was the first time that Gavi had addressed the question of measles in a comprehensive way.
- 7.2 Dr. Malvolti informed the Board about the successes and challenges of the measles and rubella strategy (Doc 07). He pointed out that the coverage for routine measles first dose (MCVI) had stagnated over the past five years which was putting the achievement of the GVAP goals at risk. Gavi’s current support for measles and rubella was divided into four areas – the routine measles second dose, measles-rubella campaigns, measles SIA and the outbreak response fund to the measles-rubella initiative.
- 7.3 The Board was informed of Gavi’s strategy which would ensure the best return on investment, increased country ownership, sharp focus on strengthening routine Immunisation and on quality, targeted campaigns when necessary and financial sustainability. In order to bring about changes in the approach to measles, Gavi’s strategy proposes an integrated long-term five-year rolling plan, the promotion of ownership and sustainability so that the countries fully finance the first dose, an improved sustainable routine immunisation, focus on high-quality SIAs which will be data-driven and targeted based upon appropriate modeling. We will also look for ways to leverage the polio legacy where appropriate.

## *Discussion*

- Board members warmly welcomed the new strategy and gave their full support to this new comprehensive approach and commended the Secretariat for having followed-up on the PPC's request. The Board applauded the move towards co-financing and proactively reaching out to the countries.
- Dr. Malvolti informed the Board that the next few months would be devoted to further work on the design of the programme and in particular on the definition of the appropriate incentives and monitoring steps for campaigns. The CEO added that one of the challenges is to ensure with forward planning that the best epidemiological data possible is used. Measles is the most powerful vaccine which every child should receive before the age of one.

## **Decision Eight**

The Gavi Board:

- a) **Approved** a comprehensive measles and rubella strategy for Gavi as set out in section B, 5.5-5.16 of Doc 10 to the PPC (the proposed "Measles and Rubella Strategy"), as amended by discussions at the PPC, and noting the additional funding for the current strategy period (2016-2020) amounts to approx. US\$ 220 million.
- b) **Noted** the importance of enhancing Gavi's approach to supporting countries for measles and rubella, and **requested** the Secretariat and the Alliance partners to: (i) ensure Measles and Rubella Strategy is fully incorporated in the countries' immunisation programmes and plans, (ii) implement through the use of already existing mechanisms such as the Joint Appraisals and High Level Review Panel, with any necessary modifications; and (iii) put in place mechanisms that better leverage strengths in the Alliance, in order to improve the planning, efficiency and effectiveness of campaigns
- c) **Noted** that the implication of the new strategy is that funding for the 2021-2025 period is estimated to be approx. US\$ 500 million.

*Olivier Charmeil (IFPMA) and Juliman Fuad (DCVMN) did not vote on Decision Eight above.*

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## **8. Alliance Partnership Strategy with India, 2016-2021**

- 8.1 Seth Berkley, CEO, introduced this item (Doc 08), referring to the next phase of the strategic partnership with the Government of India (GoI). India represented over a quarter of children in Gavi countries and the proposed strategy presented an opportunity to reduce child deaths globally. The PPC had recommended using resources from the next strategy period to accelerate the introduction of four vaccines and advance progress on health system strengthening. With the recommended amount, India would still receive relatively less support than other large Gavi countries on a per capita basis. The goal was to maximise health impact

and use Gavi's catalytic support to leverage the GoI into spending their own resources on immunisation.

- 8.2 Ranjana Kumar, Regional Head, Country Support, presented more details on the proposed Partnership Strategy, focusing on the global benefits and the timing, which was now a critical factor. GoI's national priority was to vaccinate every child. The political environment was very positive and if Gavi did not provide its support now, India may introduce the new vaccines at a much slower pace. This would therefore mean a missed opportunity to save millions of children's lives.
- 8.3 Aurelia Nguyen, Director, Policy and Market Shaping, presented another component of the India strategy, which was in line with the global market shaping goals of Gavi. India-based manufacturers currently supplied 60% of the vaccine volume to Gavi, and the India demand represented around 30% demand from Gavi countries. Greater collaboration and sharing of information between Gavi and India can achieve vaccine supply security and procurement outcomes that would be mutually beneficial for both parties.
- 8.4 Many discussions had been held in the PPC and during visits to India on the sustainability of the programme beyond 2021. Dr Kumar noted the Government's commitment to plan for the transition and use domestic resources to sustain the Gavi-supported programmes on immunisation.

#### *Discussion*

- Board members welcomed the opportunity to move towards a partnership with India, one of the most under-vaccinated areas of the world. The partnership could be a transition process for India to change its course in terms of immunisation and fully own its programme. Substantial progress had been made in India in its immunisation programme in recent years. It was important now for Gavi to show its commitment to this cause and play a catalytic part in fully activating their vaccination programme.
- One Board member emphasised that it should be borne in mind that the partnership with India could represent a high risk in terms of reputation, and therefore the Board needs to be able to clearly defend this very sensitive decision and on how the vaccines will be introduced. On the other hand, not taking up this opportunity with India would dampen global efforts on child health and immunisation. The present government had made profound commitment to its immunisation programme and the moment should be seized to collaborate with them in a structured way with conditions clearly set out.
- There are 27 million children in need of vaccinations in India every year, and India represents 35% of the birth cohort in Gavi countries. Given the variance in immunisation coverage across states and other parameters, the Board noted that the issue of equity needed to be addressed further as the government prioritised different areas for interventions.

- The immunisation programme would be monitored through regular updates by the Secretariat by reporting to the PPC and to the Board, followed by a formal review in the second half of 2018.
- In its review of the language of the decisions to be taken under this agenda item, the Board had a robust discussion regarding Point b) iv) of Decision Nine. Board members wanted to convey to the Gol that the partnership should be based on a joint agreement to use domestic resources to support the immunisation programme. Gavi should also explore with the Gol other innovative or complementary options for financing mechanisms. The language in Decision Nine, Point b) iv) below, thus reflects this request of the Board. At the request of the CEO, the Board clarified that the aim was to explore and use various mechanisms, which leads to India fully financing the balance of the costs of the relevant programmes.

### **Decision Nine**

The Gavi Board:

- a) **Approved** the Gavi strategic partnership with India (the "India Partnership Strategy ") on a time-limited and catalytic basis as set out in Section 5 of Doc 08, including an indicative allocation of vaccines and cash support in Option 2 of Table 1 of Annex D to Doc 08 for a total estimated amount of up to US\$ 500 million, using available resources from the Gavi 2016-2020 strategy period and targeted to accelerate vaccine introductions and improve coverage and equity.
- b) **Requested** the Secretariat to work with the Government of India ("Gol") to develop an agreement or an appropriate equivalent to implement the India Partnership Strategy setting out how Gavi's catalytic support will be used to accelerate the Gol's introduction and scale-up of new vaccines (rotavirus, MR, pneumococcal and HPV) and to improve coverage and equity of immunisation. This agreement should define:
  - i. the final allocation of vaccines and cash support to be targeted to improving coverage and equity;
  - ii. key principles of Gavi support (to the extent these differ from the Partnership Framework Agreement) including milestones for the India Partnership Strategy, focus on equity and a framework for the Gol to provide regular updates;
  - iii. the process governing the application and approval process for vaccine and cash support for the Gol;
  - iv. commitments from the Gol to fund the balance of the costs of the relevant campaign(s) and/or introduction(s) and to sustain the programme(s) following the introduction(s) using domestic resources and fully exploring innovative and complementary financing mechanisms;
  - v. a "Partnership Framework" including performance milestones and indicators.

- c) Recognising the importance of manufacturers based in India and the critically important role of the Government of India (“Gol”) in the procurement of vaccines for India’s children, successful collaboration around vaccine supply and procurement between Gavi and the Gol should contribute to enhance supply security and a sustainable supply base to maximise procurement outcomes for Gavi and the Gol: **requested** that the Gavi Secretariat and partners invite Gol to explore together how to share information and plan supply and procurement for vaccines in the Gol and Gavi portfolios and explore potential coordination to maximise the sustainability and affordability of vaccines with an initial report back to the PPC in October 2016 and to the Board in December 2016.
- d) **Requested** the Secretariat to provide a review of the developed agreement or appropriate equivalent in 2016 as well as regular updates on the implementation of the agreement or appropriate equivalent and a formal review in 2018 on the progress of the India Partnership Strategy to be considered by the PPC and the Board, as appropriate.

*Olivier Charmeil (IFPMA) and Juliman Fuad (DCVMN) did not vote on Decision Nine above.*

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## **9. Chair’s reflections on the day**

- 9.1 The Chair provided some reflections on the Board’s deliberations during the first day of its meeting.

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## **10. Chair’s overview**

- 10.1 The Chair reflected briefly on the Board dinner, which had taken place on the previous evening and expressed his appreciation for the tributes paid to him as he comes to the end of his term as Chair of the Gavi Board.
- 10.2 He then introduced a short animation film showing the cold-chain optimisation project, showing how all partners work to take this forward.

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## **11. Gavi Alliance Strategy 2016-2020 – goal level indicators and disease dashboard**

- 11.1 Peter Hansen, Director, Monitoring & Evaluation, presented the recommendations from the Programme and Policy Committee for Board endorsement on indicators under strategic goals (SG) and targets for the 2016-2020 strategy period (Doc 11). He informed the Board that a core group of technical experts had convened to define the indicators for the strategic goals. He focused on what was new since the last Board meeting in June 2015.

11.2 Five indicators under SG2 were recommended: supply chain; data quality; access, demand and service delivery; integration and civil society. A developmental indicator on strengthening institutional capacity under SG3 and healthy market dynamics under SG4 were also recommended for approval, as well as the targets for these indicators.

### *Discussion*

- Board members thanked the Secretariat for the greatly improved and ambitious set of indicators, with a special mention for including the gender issue, an area that was often lacking in other boards. The collaborative approach had been followed and the Board availed of a good oversight of the situation.
- The Chair of the PPC endorsed the work and expressed the satisfaction of the PPC. He informed the Board that he had received a number of messages from civil society organisations expressing interest. He added that although indicators for reductions in prices did exist, these were not published due to the commercial sensitivity.
- The Board would appreciate further information on the timelines for the next steps as well as on the cross-cutting perspective. Further clarity on the innovation indicator would be welcome as would the inclusion of an indicator regarding the number of vaccine suppliers. In this context the Board Member representing IFPMA indicated his constituencies agreement with the PPC that further clarity is needed around the definition and scope of innovation and Gavi's role in incentivising innovation.
- Board members also expressed interest in seeing how the KPIs were connected as it was not clear how the underlying KPIs referred to the indicators and targets.
- Mr. Hansen informed the Board that a balance had to be found between ambition and what can realistically be achieved, and the logical link between the Alliance KPIs and the strategic goal indicators. With regard to government expenditure on health and its unintended consequences, this has been built into routine monitoring to enable the Alliance to track trends over time. Regarding integration, a two-fold approach is taken: tracking a specific indicator of integration under the second strategic goal, while also advancing the understanding of the extent to which integration cuts across other indicators, such as supply chain and data systems.

### **Decision Ten**

The Gavi Board:

- a) **Approved** the indicators and targets for the Gavi Strategy 2016-2020 described in Section B of Doc 08 to the PPC, including Option 2 for the target reference group for the three immunisation coverage indicators endorsed by the Board in June 2015.



- b) **Requested** the Secretariat to work with countries and other partners to further develop the operational details and targets for the integration, civil society and institutional capacity indicators and present them to the PPC for review.

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## **12. Data strategic focus area**

- 12.1 Hope Johnson, Head, Programme Outcomes & Impact, presented the Data Strategic Focus Area (SFA) (Doc 12). She informed the Board that over the past year Alliance partners had been engaged to collectively assess Gavi's engagement over the next strategic period. Three areas on which to focus had been defined: immunisation delivery, coverage and equity; vaccine preventable disease surveillance; and vaccine safety and response. Eight principles had been identified for guiding all engagements which would have to be aligned with country plans.

### *Discussion*

- Board members were very supportive of this ambitious work and the high level approach and believed the SFA would improve the quality of data available.
- Some concern was expressed about the Secretariat resources that would be needed in terms of spending, technology and human resources for information management and collection of data. The Board was assured that the Secretariat focused on convening in a transparent manner and the key question was how it could best leverage to take the work forward.
- Some of the funding could be used to bring about culture changes and countries should be encouraged on how to use data to introduce quality improvement projects. There was much global attention on improving data management systems at country level. This should be done through the HSS and aligned with country-led processes.
- One Board member emphasised the importance of the quality of data and how data systems should continue to be developed to ensure adverse events are reported in a timely manner. Gavi could play a leading role in this area whilst remaining aware of the usefulness of both paper and new technologies and the change process this entailed.
- Another Board member referred to the importance of aligning country needs and priorities, an example of which was the PEF. A move towards a more flexible mechanism so that the needs of countries and their priorities can be included in a timely manner would ensure productive and timely investment in such areas.
- Ms Johnson indicated that the work supported by Gavi was aligned with the guiding principles brought about by discussions over the past year. The agenda was ambitious and some long-term engagement was needed, with focus on priority countries.



## **Decision Eleven**

The Gavi Board:

- a) **Approved** the high-level approach to the strategic focus area (“SFA”) on data for the 2016-2020 period as set out in Section B of Doc 06 to the PPC.
- b) **Requested** the Secretariat to work with countries and other partners to operationalise the high-level approach in priority countries starting in 2016, and to ensure that submissions for funding through the PEF are consistent with this approach and the needs of priority countries.
- c) **Requested** the Secretariat to ensure that the proportional distribution of PEF funds across data and the other five SFAs is rationalised once other SFAs are developed, and to present these distributions to the PPC in May 2016 to ensure strategic alignment with Gavi priorities.
- d) **Requested** the Secretariat to ensure that strategic investments in data made through direct financial support to countries are consistent with the approach to the data SFA as well as with the outcomes of the review of Gavi’s model for direct financial support to countries.

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### **13. Country Programmes strategic issues**

- 13.1 Hind Khatib-Othman, Managing Director, Country Programmes gave a presentation to the Board on the work being carried out in a number of areas (Doc 13), highlighting the country programmes’ strategic issues.
- 13.2 She provided a current overview of the situation, advising that in the current strategic period 220 routine introductions, SIAs or campaigns had been completed. Hard work had been put in to align HSS investments although re-focusing on coverage and equity was needed, and co-financing had become a very important component, although Congo was facing serious challenges and still in default, whereas she was happy to report that Angola had committed to paying their co-financing arrears by the end of the year.
- 13.3 In view of the new 2016-2020 strategy, the country programmes team was gearing up to support this, and ensuring that the support be aligned to country needs. Even with focus on the wealthiest and poorest countries, the coverage was improving.
- 13.4 Ownership and self-financing was a major issue and increasing as more vaccines are introduced while some delays in co-financing are still being faced. In 2015 the engagement in transition was being intensified, with nine countries partially transitioning out and four which are expected to have successfully done so by the end of the year.
- 13.5 Since the Board decision on IPV vaccine introductions, all Gavi eligible countries had applied, 30 have introduced and 12 are scheduled before the end of the year,

while 28 have deferred their introductions to 2016. The Secretariat was working hard with the Alliance partners to ensure that countries were covered as was needed. The strategy with WHO and UNICEF was to bring a better understanding on country discussions.

- 13.6 The polio legacy was beginning to become a pressing issue as polio began to scale down in a number of countries. Although Gavi did not have the resources or mandate to take over the human resource networks, this should be considered in a country context and be country-driven. Any limited support for staffing would have to be covered through HSS financing or the Partners' Engagement Framework.
- 13.7 A more risk-based grant management was being introduced and the PPC was reviewing the direct financial support to countries which will bring a stronger understanding and coherence.
- 13.8 The Secretariat was using a more bottom-up approach so as to be closer to the countries' needs and this was already proving to be beneficial by providing insight into defining support for country partners.

#### *Discussion*

- Board members commended the work of the Secretariat and appreciated the focus questions offered in the report to the Board.
- Regarding new vaccine introductions and increasing sustainable and equitable coverage, more attention could be paid to implementing countries and country ownership as problems of delays are often political. One Board member was concerned about the aspect of risk and how this is addressed. It was suggested that it may be better to discuss specific areas of concern with respective countries rather than categorising such countries as high risk. On the question of coverage, a Board member suggested that a way should be to decide how new vaccines can be incentivised and new vaccines improved, while simultaneously improving the coverage of existing vaccines.
- Board members agreed that the Rotavirus immunisation was a key priority for Gavi as part of its integrated programme to reduce mortality. The Secretariat advised that this would be further considered and discussed by the PPC regarding further measures to take.
- The Board supported Gavi's approach to polio assets to keep it country driven and repurposed for RI strengthening. It was agreed that focus on RI should be maintained with an approach tailored to country needs so that the available funds can be used as most appropriate.
- In order to avoid the possibility of programmes failing due to low political will, one member suggested to try and define the over-arching issues to ensure that Gavi functions at the country level, in line with country priorities. Another member was of the view that where countries had the ability to pay, there should be zero

tolerance of defaulting, bearing in mind exceptions for such matters as natural disasters.

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#### **14. Risk management update**

- 14.1 Jacob van der Blij, Head, Risk, provided an update on progress made in implementing the changes to Gavi's risk management and assurance practices to enhance Gavi's management of risk, including but not limited to fiduciary risk (Doc 14). He also emphasised that this builds on existing practices, which should now be connected into a coherent system that consistently manages risk across the Alliance to provide a full understanding of Gavi's aggregate risk exposures.
- 14.2 The main aspects of the changes were the introduction of a risk policy and risk appetite statement and the reorganisation of teams in line with the three lines of defence model: the first line is owning and managing risk, the second line is providing support and overseeing risk, and the third line is providing independent assurance through audits. An active recruitment campaign has resulted in filling all but four of the new positions approved by the Board last year. In addition, a dedicated risk function and a standing risk committee had been set up. These changes are enhancing Gavi's risk management capacity, but therefore Gavi's grant management capacity, as the purpose of enhanced risk management is to increase the likelihood of achieving programmatic outcomes, by looking forward and anticipating problems and opportunities before they arise.
- 14.3 Some early effects of the changes could already be seen in a high-risk country that now has a dedicated Senior Country Manager, allowing increased engagement, in-country presence, and anticipation of risks using a Country Risk Matrix tool, which was being piloted. Expected effects of other tools and processes being strengthened included: enhanced visibility of in-country programmatic and financial capacity through Programme Capacity Assessments; enhanced accountability and visibility on grant performance through Grant Performance Frameworks; increased assurance in both fiduciary and programmatic areas through audits and enhanced ability to counter fraud.
- 14.4 After an internal evaluation of the ongoing implementation of changes during 2016, it is envisioned to instil a risk culture across the organisation and deepen collaboration with in-country partners by sharing risk information and collaborating on identifying and mitigating shared risks. It was proposed to discuss how to engage the Board more systematically on risk at the Board retreat in April 2016.

#### *Discussion*

- Board members noted the need of managing the organisational risks associated with the change programme and underlined the importance of taking stock mid 2016. It was furthermore noted that a sound culture and good tone at the top are important; risk identification and mitigation by partners should be integrated in the PEF; and risk should be included in the induction of new Board members.

- One Board member proposed that the Board should be engaged on a few top risks, their measurement and mitigation, while the AFC should be responsible for overseeing the overall risk management system and processes. Another Board member proposed that the PPC discuss programmatic risks, with the AFC to oversee processes and financial risks, while keeping the Board informed on key programmatic and fiduciary risks. It was felt that a standing Board item on risk will contribute to building a risk management culture, and every December a risk and assurance report could be provided. Another Board member expressed the need to make trade-offs explicit between fiduciary and programmatic risks.
- Mr. van der Blij recognised that the risk programme was a learning exercise and a risk in itself with reflection and adjustments needed as it develops. As the PEF will help to set out objectives and responsibilities of partners, this will be leveraged to clarify how to collaborate on risks associated with these objectives.

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## **15. Engagement Framework and Budget for Partners and Secretariat for 2016-2017**

- 15.1 The CEO introduced the item before passing the floor to Anuradha Gupta, Deputy CEO. He referred to the changes that the Alliance has undergone since its formation, in terms of the expanding number of programmes but also in relation to the functioning of the organisation e.g. increased focus on equity and risk. For these and other reasons, McKinsey consultants had been hired to provide advice on resources and competences for the next strategic period and to benchmark Gavi against other institutions, and to suggest ways of enhancing efficiencies in the way the Secretariat works.
- 15.2 Ms. Gupta briefly reviewed this item, presenting an overview of the proposed Engagement Framework and Budget for Partners and the Secretariat (Doc 15). She recalled the timeline of Board decisions already taken and the three pillars of the new paradigm, endorsed by the Board in December 2014 vis-à-vis country focus, risk management/grant oversight, and purposeful partnerships. The proposed budget sought to bring enhanced attention and resources to these three critical areas. She informed the Board about the progress on the new Partners' Engagement Framework (PEF) and the effective guidance provided by the PEF management team. She highlighted the fact that in a major effort, joint appraisals had been conducted in 72 countries and were instrumental in identifying key coverage and equity (C&E) barriers and the technical assistance (TA) needs in each country. The next step is to involve the country in the design of a composite TA package in sync with its needs. The proposals from UNICEF/WHO to respond to joint appraisals are being further discussed at the country level. She presented a striking example from Pakistan where country level dialogue had resulted in TA becoming more targeted with less resources including dedicated assistance at provincial level for the first time. In line with the new focus on accountability for outcomes at country level, the Secretariat is designing a tool to enable the countries to provide regular feedback on TA by each provider.

- 15.3 Ms. Gupta referred to the growing responsibilities of the Secretariat owing to the growth in business in the next strategic period. She presented a variety of data to demonstrate that both the scale and complexity of core areas of Alliance business managed by the secretariat are increasing several folds. She pointed also to the new ways of working envisaged under the PEF and increased focus on accountability for outcomes, which was adding to the load in certain respects, but that both the Secretariat and the Partners were committed to its successful functioning.
- 15.4 Mr Barry Greene, Managing Director, Finance and Operations, presented the proposed PEF budget for 2016 and 2017 and indicated that there would be a reduction on the cost per vaccine programme, for both the Secretariat and Partners.

### *Discussion*

- Board members agreed that the new Partners' Engagement Framework was well designed and presented a new model of country centric approach and accountability. They recognised value in the CEO having commissioned a review to assess secretariat capacity and competencies and the attention paid to maximizing internal efficiency gains.
- The Board members requested greater detail to understand better the increase in the Secretariat and this was provided. One Board member stated that it was recognised that this was a period of growth but that over the next two years he would expect that the growth of the Secretariat should stabilise.
- The Board Member representing IFPMA alerted the Board that WHO is engaging with manufacturers who use the pre-qualification system to fund a gap of some US\$ 20-25 million per annum and that a large incremental expenditure for vaccine supplies is challenging and can lead to unintended consequences. On behalf also of DCVMN, he advocated for a wider discussion with partners toward an equitable, sustainable solution that serves common goals. The Board Vice Chair and the CEO concurred with the need for sustainable financing, transparency in what the funding would be used for and full engagement.

### **Decision Twelve**

The Gavi Alliance Board:

- a) **Approved** within the overall envelope of US\$ 169.3 million for 2016 and US\$ 178.6 million for 2017 for the Partners' Engagement Framework, the following allocation:
- i. US\$ 64.5 million in 2016 and US\$ 69.5 million in 2017 for Targeted Country Assistance;
  - ii. US\$ 26.0 million in 2016 and US\$ 29.0 million in 2017 for Special Investments in Strategic Focus Areas, of which US\$ 4 million per annum remains contingent on future Board approval of the relevant strategic approaches;

- iii. US\$ 19.6 million in 2016 and US\$ 19.6 million in 2017 for UNICEF Supply Division for fees to implement vaccine and related supplies procurement under the 2016 and 2017 PEF;
  - iv. Up to US\$ 3.3 million in 2016 and US\$ 3.3 million in 2017 for UNICEF Supply Division for fees to implement cold chain equipment under the 2016 and 2017 PEF;
  - v. US\$ 0.9 million in 2015, US\$ 0.6 million in 2016 and US\$ 0.5 million in 2017 for the World Bank to cover the shortfall in funding they have received from AMC investment income that is required under the AMC Stakeholders agreement to cover the Bank's related administrative and commitment fees;
  - vi. US\$ 18.9 million envelope in 2016 and US\$ 20.4 million envelope in 2017 for impact assessments and evaluations to be administered by the Secretariat under the 2016 and 2017 PEF.
- b) **Approved**, within the overall envelope of US\$ 102.6 million in 2016 and US\$ 108.6 million in 2017 for Secretariat Engagement, the following allocation:
- i. US\$ 102.4 million for the Secretariat operating expenses in 2016 and US\$ 108.4 million for the Secretariat operating expenses in 2017; and
- c) **Approved** US\$ 2.6 million for a capital expenditure budget to implement the Secretariat's part of the 2016 Gavi Engagement Framework ('GEF') and US\$ 1.7 million for a capital expenditure budget to implement the Secretariat's part of the 2017 GEF.

*Geeta Rao Gupta (UNICEF) did not vote on Decision Twelve (a) i, (a) ii, (a) iii, and (a) iv above.*

*Tim Evans (World Bank) did not vote on Decision Twelve (a) i, (a) ii and (a) v above.*

*Zulfiqar A. Bhutta (Research and Technical Health Institutes) did not vote on Decision Twelve (a) vi.*

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## 16. Ebola update

- 16.1 The CEO introduced this item (Doc 16), reminding the Board the Ebola outbreak had presented an emergency situation that needed the entire community's engagement. He also emphasised that Gavi support had helped to address the gaps and prevent other outbreaks. The matter would be brought to the Board for an open discussion on the lessons learnt at its retreat in April 2016.
- 16.2 Stefano Malvolti, Director, Vaccine Implementation, updated the Board on the status of the current epidemic by country and provided some information on the progresses made across the four areas of work that had been approved by the Board (restoration of EPI services, recovery of health systems, availability of EVD vaccine and deployment of EVD vaccine).



## Discussion

- Board members were very supportive of Gavi's action in response to the Ebola crisis, particularly as this was in addition to all its other tasks. With regard to being prepared for another potential outbreak, the Board supported quick action and to study new vaccines but nevertheless advised to maintain a step-wise approach. The less positive aspect was the under-use of the HSS funds which could be an additional reason to strengthen the structures and institutions.
- In his capacity of head of a manufacturer, one Board member stated that one of his key roles was to resolve the balance between investing in programmes and funding R&D. This intensifies the importance of working with a partner with meaningful commitments. In setting precedents for the future, lessons could start to be drawn from the Ebola vaccine situation.
- Mr. Malvolti indicated that with regard to being prepared for potential future epidemics, the current vaccine was only for the current strain of the disease and further development work is needed to continue to test vaccine/s against other strains in the event of new outbreaks. He added that clarification on the HSS budget would be available soon.
- In response to a question on Gavi's intended role in the forthcoming World Humanitarian Summit to be held in Turkey in May 2016, the CEO indicated that no plans were yet in place but that he would seek advice as to Gavi's potential presence.

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## 17. Update on malaria vaccine and next steps

- 17.1 Richard Sezibera, Chair of the PPC, briefly introduced the item (Doc 17). The Board had last reviewed the malaria vaccine in the context of the Vaccine Investment Strategy in 2013, but had deferred a decision until after the completion of the clinical trial and availability of a WHO recommendation. With those elements now in place, the PPC was given an update on the topic at its meeting on 12 November and was asked for guidance on the range of options to be presented to the Board. Dr Sezibera reminded the Board that malaria still killed 1,200 people per day, 90% of which in sub-Saharan Africa and almost exclusively in Gavi eligible countries. He highlighted that the Board's discussion should focus on how Gavi might get involved in the coming 6 months in the next steps for RTS,S, a vaccine specifically developed for children in Africa and the first malaria vaccine to receive regulatory approval.
- 17.2 Professor Peter Smith, Chair of the Joint Technical Expert Group, provided a brief overview of the results from the RTS,S vaccine trials and the rationale for the SAGE/MPAC recommendation for Demonstration Projects with the vaccine. He highlighted that the risk/benefit ratio of the vaccine had been found favourable by the European Medicines Agency. The one identified adverse effect of the vaccine was febrile convulsions within seven days of vaccination. There were some



increases in vaccinated children of incidences of cerebral malaria and meningitis, though it was not clear whether these were related to the vaccine.

- 17.3 Professor Smith showed comparisons between the results of administering three doses or four doses of the vaccine in children aged 5 to 17 months, four doses being more efficacious against clinical malaria. Only four doses were efficacious against severe malaria. Models predict an overall beneficial impact on mortality, with a consensus range of between 10% and 28% reduction for under 5 malaria-related deaths among fully vaccinated children, whether it be a 3 or 4 dose schedule, but this was not seen in the current trial due to overall reactions in mortality in both the treatment and control groups. The cost-effectiveness of four doses of the vaccine is comparable with that of other recently introduced vaccines (Rotavirus, PCV, HPV).
- 17.4 Judith Kallenberg, Head of Policy, presented information to the Board on the immediate next steps for Gavi. She reminded the Board that Gavi had started a collaboration with the Global Fund in 2014 to jointly follow the vaccine's developments and define principles and ways to align and coordinate between the two organisations in case the malaria vaccine was recommended for broader use. The Board's guidance was sought on the level of Gavi engagement, if any, over the coming six months in each of three work areas to help prepare options for the PPC review in May 2016 and Board meeting in June 2016: 1) strategic engagement with stakeholders to help design and plan for pilot implementations under the leadership of WHO; 2) Explore requirements for short and long term supply availability at sustainable cost; 3) Assess funding needs and potential sources of funding for pilot implementations. Ms Kallenberg emphasised that Gavi's engagement over the next six months in any of these areas would not imply a commitment for Gavi involvement in the next phase.

### *Discussion*

- Board members were very appreciative of the collaboration efforts between teams at Gavi and the Global Fund. They welcomed the WHO recommendation for pilot implementations of the vaccine to further assess programmatic feasibility, impact on mortality in a real-world setting and monitor the vaccine's safety in conjunction with the post-licensure studies.
- There was consensus and strong support for continued Gavi engagement in the process, led by WHO, to help design the pilot implementations, as well as to plan and coordinate the next steps. Some Board members suggested that Gavi work closely in partnership with the Global Fund and Unitaid, potentially forming part of a steering committee under WHO's leadership.
- There was limited support for a Gavi engagement in the area of market shaping. This was felt to be premature or less relevant given that there is only one supplier.
- The Board requested to be kept informed about the progress of the pilot planning process and be presented with the new information and findings from this collaboration at its next meeting.

## 18. Review of decisions

- 18.1 Philip Armstrong, Director of Governance and Secretary to the Board, reviewed and agreed the decisions with the Board.

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## 19. Closing remarks and any other business

### *Update on co-financing obligations for 2014*

- 19.1 The Chair noted that the Board, during its closed session on the previous evening, had received information in relation to three countries which had not yet fulfilled their co-financing obligations for 2014. Whilst additional information received since the closed session provided reassurance that all three countries had taken steps to fulfil their obligations by the end of 2015 the Board agreed that it would be prudent to take a formal decision in this respect.

### **Decision Thirteen**

The Gavi Board:

- a) **Noted** the commitments and significant steps taken by the Governments of Angola, Congo Republic and Ghana to pay their co-financing arrears for 2014 in full by the end of 2015.
- b) **Reminded** countries that, in the event that their co-financing arrears are not paid in full on or before 31 January 2016, support for those vaccines for which co-financing arrears for 2014 remain after 31 January 2016 and Health Systems Strengthening support for countries will be suspended from 31 January 2016 until the co-financing arrears for 2014 are paid in full.

### *Executive Committee Composition*

- 19.2 The Board Vice Chair referred to her report on the previous day as Chair of the Governance Committee in relation to the composition of the Executive Committee and confirmed that she had had the opportunity to discuss this further in the meantime with the Board Chair and the Board Chair-elect. She also reported that representations of the three multilateral organisations (UNICEF, WHO and World Bank) had informed her that they were in agreement with a new proposed wording of the decision in relation to a proposed new Executive Committee composition, the text of which had been circulated to the Board earlier in the day for consideration, along with a copy of the paper presented to them in June 2015.

### *Discussion*

- One Board member warned of the seemingly large size of the proposed Executive Committee which could now become a shadow Board that could disempower the Board. The risk would be that the current Board, with its highly effective and hard-working committees, may feel disengaged. He also regretted that in the proposed

composition there were fewer independent voices which would add to the credibility and skill-set.

- Another member, despite agreeing with the scope of the Executive Committee, was more concerned about the composition where, out of a 10-member committee, the Chair and the Vice Chair have to act independently and therefore a significant dilution of the intended composition. He raised the question of whether it was necessary for everything to be representative, adding that the right level of independence was needed for added-value and effective decision-making.
- The Chair stated that a balance between the public and private sectors had to be established and the current suggestion was a good compromise in this regard. The PPC Chair, who had chaired the Executive Committee sub-committee of three, highlighted that while it had been possible to propose something rational in relation to the functions of the Executive Committee, what was being proposed on the composition was something which is doable, and which is less than ideal, but that compromises had to be found.

### **Decision Fourteen**

The Gavi Board:

a) **Approved** the Executive Committee composition starting in 2016:

- Unaffiliated – 2 seats
- Donors – 2 seats
- Developing countries – 2 seats
- UNICEF, WHO, World Bank – 2 seats
- Bill & Melinda Gates Foundation – 1 seat
- Civil society organisations – 1 seat
- CEO (not voting) – 1 seat

*The following Board leadership positions shall be members of the Committee: Board Chair, Vice Chair, Audit and Finance Committee Chair, and Programme and Policy Committee Chair.*

*The Committee may exceptionally expand to 12 members if required to accommodate each of the Board leadership positions and each of UNICEF, WHO and the World Bank as founding members.*

b) **Noting** that the net effect is that:

- Donors go from 1 seat to 2 seats
- Developing countries go from 1 to 2 seats
- CSOs obtain 1 seat
- Unaffiliates go from 4 seats (3 defined) to 2 defined seats
- Multilaterals go from 3 seats (2 defined) to 2 defined seats
- The Bill & Melinda Gates Foundation maintains one seat
- The CEO maintains one non-voting seat

19.3 After determining there was no further business, the meeting was brought to a close.

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Mr Dagfinn Høybråten  
Chair of the Board

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Mr Philip Armstrong  
Secretary to the Board

## Attachment B

### Participants

#### Board Members

- Dagfinn Høybråten, Chair
- Flavia Bustreo, Vice Chair
- Bahar Idriss Abu Garda
- Khaga Raj Adhikari
- Zulfiqar A. Bhutta
- Donal Brown
- Olivier Charmeil
- Mariam Diallo
- HRH the Infanta Cristina of Spain
- Tim Evans
- Juliman Fuad (Alternate)
- Geeta Rao Gupta
- Dorothée Kinde Gazard (Alternate)
- Eivind Homme
- Orin Levine
- Angela Santoni
- Seif Seleman Rashid
- William Roedy
- Richard Sezibera
- David Sidwell
- Stephen Zinser
- Seth Berkley (non-voting)

#### Board Chair Elect

- Ngozi Okonjo-Iweala

#### Board Members Elect

- Edna Yolani Batres
- Raymonde Goudou Coffie

#### Regrets

- Wayne Berson
- Gunilla Carlsson
- Awa Marie Coll-Seck
- Yifei Li
- Clarisse Loe Loumou
- Jean-Marie Okwo-Bele (Alternate)
- Adar Poonawalla
- Jo-Anne Purcell (Alternate)
- Bheri Ramsaran (Alternate)
- Muhammad Ayub Sheikj
- Andrei Usatii

#### Alternates Observing

- Kesetebirhan Admasu
- Blair Exell
- Shanelle Hall
- Javier Hernández Peña
- Marcus Koll
- Rama Lakshminarayanan
- Laura Laughlin
- Violaine Mitchell
- Samba O. Sow
- Katherine Taylor
- Naveen Thacker
- Eksavang Vongvichit
- Wieneke Vullings

#### Alternate Board Members Elect

- Jan Paehler

### Additional Attendees

#### IFFIm

Dr René Karsenti, IFFIm Board Chair

Ms Fatimatou Diop, Vice President, AFRIVAC

Mr Christopher (Edge) Egerton-Warburton, Co-founder, Lion's Head Global Partners

#### WORLD HEALTH ORGANIZATION

Dr Vasseer Moorthy, Team Leader, Vaccine Development

Dr Pedro Alonso, WHO Global Malaria Programme

#### **UNICEF**

Dr Robin Nandy, Chief, Child Survival & Development, UNICEF Indonesia  
Dr Heather Deehan, Chief, Vaccine Centre  
Dr Doreen Mulenga, Deputy Director, Supply Program  
Dr Henri van den Hombergh, Chief Immunization a.i.

#### **BILL & MELINDA GATES FOUNDATION**

Ms Nicole Bates, Deputy Director  
Ms Amrita Palriwala, Program Officer, Results for Development Institute

#### **THE WORLD BANK**

Mr Robert Oelrichs, Senior Health Specialist

#### **DEVELOPING COUNTRY GOVERNMENTS**

##### **Tanzania**

Dr Catherine Sanga, Permanent Mission of Tanzania to the UN

#### **DONOR GOVERNMENTS**

##### **Australia**

Ms Sue Elliott, Permanent Mission to the UN, Geneva  
Mr Tim Poletti, Permanent Mission to the UN, Geneva

##### **Canada**

Ms Sara Nicholls, Deputy Director, Immunization and Newborn Health, Global Affairs Canada  
Ms Catherine Palmier, Counsellor, Canada Permanent Mission to the UN, Geneva

##### **France**

Mr Florent Loiseau, Ministère des Affaires Etrangères et du Développement Internationale

##### **Germany**

Mr Patrick Rudolph, Senior Sector Economist, Health and Social Protection, KfW  
Mr Heiko Warnken, BMZ  
Mr Hendrik Schmitz Guinote, Permanent Mission to the UN, Geneva

##### **Ireland**

Mr Thomas Tichelmann, Assistant Project Officer, Department of Foreign Affairs and Trade

##### **Italy**

Ms Francesco Manno, Director, Ministry of Economy and Finance  
Mr Alberto Bertoni, First Counsellor for Health, Permanent Mission to the UN

##### **Japan**

Ms Kansuke Nagaoka, Permanent Mission to the UN, Geneva  
Mr Tomoko Kubota, Permanent Mission to the UN, Geneva  
Ms Mio Akata, Ministry of Foreign Affairs

##### **Korea (Rep. of)**

Mr K KANG Kyu-Cheol, Deputy Director, Ministry of Foreign Affairs  
Mr Choi Jongkyun, Minister Counsellor, Permanent Mission to the UN, Geneva

##### **Netherlands**

Mr Reinout Vos, Ambassador, Permanent Mission to the UN, Geneva  
Ms Seriana Van den Berg, First Secretary, Permanent Mission to the UN, Geneva

##### **Norway**

Ms Lene Lothe, Head of Health Section, NORAD  
Ms Mari Grepstad, Adviser, NORAD  
Ms Heidi Malene Nipe Senior Adviser, Ministry of Foreign Affairs

##### **Qatar**

Mr Khalifa Jassim Al-Kuwari, Director General, Qatar Development Fund  
Mr Youssef Heneine, Senior Adviser, Qatar Development Fund

**Saudi Arabia**

Engineer Hasan Al Attas, Director General (Operations), Saudi Fund for Development

**Sweden**

Ms Anna Hamrell, Desk Officer, Ministry of Foreign Affairs  
Mr Andreas Hilmersson, Permanent Mission to the UN, Geneva  
Mr Oscar Necking, Permanent Mission to the UN, Geneva  
Ms Maria Gartner Nord, Permanent Mission to the UN, Geneva  
Ms Kasja Aulin Permanent Mission to the UN, Geneva

**United Kingdom**

Mr Jason Lane, Senior Health Adviser, DFID  
Mr Nicholas Wintle, Economist, DFID  
Mr Nicolas Alexander, Permanent Mission to the UN, Geneva

**United States of America**

Ms Susan McKinney, Senior Technical Advisor for Immunization, USAID

**VACCINE INDUSTRY - DEVELOPING COUNTRY**

Dr Sonia Pagliusi, Executive Secretary, DCVMN  
Dr Ching-Chia Ting, DCVMN  
Dr Sai Prasad, President, Bharat Biotech, Hyderabad, India

**VACCINE INDUSTRY - INDUSTRIALISED COUNTRY**

Dr Kyra Rosow, Senior Manager, Vaccines Public Affairs, Pfizer  
Dr Lyn Morgan, Senior Director, Vaccination Policy, Sanofi Pasteur  
Dr Corry Jacobs, Director Global Policy and Research GSK Vaccines  
Dr Joan Benson, Executive Director, Merck  
Dr Olga Popova, VP Global Vaccine Policy & Partnerships, Crucell Holland B.V.  
Dr Sophie Biernaux, VP, Heal Malaria, HIV, Tuberculosis and Ebola Programs, R&D, GSK Vaccines

**RESEARCH AND TECHNICAL HEALTH INSTITUTES**

Dr Jennifer Moisi, Program Leader, Meningitis and Pneumonia, Agence de Medecine Preventive (AMP)  
Dr Rebecca Martin, Director, Center for Disease Control and Prevention, CDC

**CIVIL SOCIETY ORGANISATIONS**

Dr Patrick Bertrand, Executive Director, Global Health Advocates, France  
Dr Dorothy Esangbedo, President, Union of National African Paediatric Societies and Associations, Nigeria

**Special Advisers**

Ms Cristina Gaberi, Special Adviser to the Board Member from Moldova  
Mr Aksel Jakobsen, Special Adviser to the Gavi Alliance Board Chair  
Mr Stephen Karengera, Special Adviser to the Chair of the PPC  
Dr Carsten Mantel, substituting for Special Adviser to Gavi Board Vice Chair  
Ms Sokhna Mbow Diba, Special Adviser to the Board Member from Senegal  
Ms Coline Mahende, Special Adviser to the Board Member from Tanzania  
Dr Ashish Pathak, Special Adviser to the Board member for CSOs  
Ms Carol Piot, Special Adviser to the Chair of the IFFIm Board  
Dr Krishna Prasad Paudel, Special Adviser to the Board Member from Nepal  
Dr Sara Mohammed Osman Elias, Special Adviser to Board Member from Sudan

**Other Observers**

Ms Chisom Okechukwu, Special Adviser to Dr Ngozi Okonjo-Iweala  
Dr Rob Moodie, Chair, Gavi Evaluation Advisory Committee  
Ambassador John Lange, Senior Fellow, Global Health Diplomacy, UN Foundation  
Ms Marijke Wijnroks, Chief of Staff, The Global Fund to fight AIDS, Malaria and Tuberculosis  
Mr Harley Feldbaum, The Global Fund to fight AIDS, Malaria and Tuberculosis  
Dr David Kaslow, PATH  
Dr Carla Botting, PATH  
Ms Ariadna Bardolet, Director of International Programmes, La Caixa Foundation  
Prof Peter Smith, MRC Tropical Group, London School of Hygiene and Tropical Medicine  
Ms Barbary Bulc, President, Global Development, IFPW