

Gavi Alliance Board Meeting

29-30 November 2017

Crowne Plaza Hotel, Vientiane, Lao PDR

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 09.13 local time on 29 November 2017. Ngozi Okonjo-Iweala, Board Chair, chaired the meeting.
- 1.2 The Chair started by expressing, on behalf of the Board, her appreciation and gratitude to the government of Lao PDR for hosting the meeting.
- 1.3 The Chair welcomed new Board members and Alternate Board members, as well as Rob Moodie, Chair of the Evaluation Advisory Committee, and members of the IFFIm Board. She noted that departing members would be recognised for their service at the dinner that evening. She regretted that a number of representatives from the developing country constituency had not been able to attend this meeting.
- 1.4 She recalled that as WHO leadership is currently transitioning, and that WHO representation to the Gavi Board is being finalised, she had exercised her discretion as Board Chair to exceptionally permit Dr Princess Nothemba (Nono) Simelela, Assistant Director General, Family, Women, Children and Adolescents, to join the Board at the main table for this meeting. Dr Simelela would be welcome to participate in the discussions but as an observer would not be permitted to vote.
- 1.5 The Board met in closed session on the evening of 28 November to discuss a number of items including the CEO's annual performance review, as well as a preliminary discussion relating to successfully transitioning Nigeria from Gavi support, which would be discussed further at this meeting.
- 1.6 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.
- 1.7 The Board noted its minutes from 14-15 June 2017 (Doc 01b) and 7 July 2017 (Doc 01c), which were approved by no objection on 15 August 2017. The Board also noted decisions approved by them by no-objection consent since the last meeting (Doc 01d), namely the 2016 Annual Financial Report and appointments to the Board and Board Committees.

- 1.8 The Board also noted its action sheet (Doc 01e) and workplan (Doc 01f) and the Chair encouraged Board members to contribute to the forward plan by raising issues which they may wish to add either with her directly or with the Secretariat.
- 1.9 The Chair noted that while there has been an improvement in the quality and volume of the papers that are being shared with the Board, she feels that there is still room to further reduce the volume and perhaps have more summary documents and she encouraged the Secretariat to continue to work on this.
- 1.10 The Chair informed Board members that the Market-Sensitive Decisions Committee had met once since the last Board meeting to consider two items of a market-sensitive nature. She also reported that the All Chairs Group had met twice, and that she was personally finding this to be a helpful mechanism
- 1.11 Finally, the Chair shared some thoughts with the Board in relation to the current global environment, which makes the context for Gavi's work more interesting, and challenging and she encouraged the Board to think strategically about how Gavi continues to fit in and deliver in this changing international context.

2. Consent agenda

- 2.1 The consent agenda included the recommendations of the Governance Committee for Board and Committee member appointments (Doc 02a), Committee Chair appointments (Doc 02b), Changes to Gavi By-laws (02c) and Changes to Committee Charters (Doc 02d). It also included approval of flexibilities to the Application Review Process (Doc 02e) and Continuation of Support to South Sudan (Doc 02f).
- 2.2 The Chair invited Ms Gunilla Carlsson, Board Vice Chair and Chair of the Governance Committee, to give a brief update to the Board on the work undertaken by the Governance Committee since the last Board meeting in June 2017.
- 2.3 Ms Carlsson highlighted that the Governance Committee work aims to facilitate the work of the Board and enable it to focus on more strategic issues. She referred to the 2016 Board and Committee self-evaluation exercise which had been a good learning process for the Board and that the Governance Committee continued to work on implementation of the recommendations.
- 2.4 She referred to the routine work of the Committee, and completed work, including the process for the reappointment of the Chair and CEO, in which the Committee had played an important oversight.
- 2.5 She provided information on the ongoing work, referring in particular to discussions relating to strengthening the developing country constituency in Gavi's governance structures.
- 2.6 She also referenced the work of the Subcommittee for the recruitment of Unaffiliated Board members and indicated that the Board would be receiving an

invitation to submit nominations of potential candidates who might be considered for some of the positions, which will be opening up going forward.

Discussion

- One Board member referred to Gavi's gender policy and encouraged constituencies to continue to think about gender balance when considering nominations for the Board and Board Committees.

Decision One

The Gavi Alliance Board:

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

- Soumya Swaminathan as Board Member representing WHO in the seat currently held by Flavia Bustreo effective immediately and until her successor is appointed and qualified.

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

- David Hering as Alternate Board member to Susan Silbermann representing the vaccine industry industrialised countries in the seat currently held by John Roberts effective immediately and until 31 July 2020.

c) **Appointed** the following to the Market-Sensitive Decisions Committee effective 1 January 2018:

- Saira Afzal Tarar (Alternate Board Member) until 31 December 2019

d) **Appointed** the following to the Governance Committee effective 1 January 2018:

- Yifru Berhan Mitke (Board Member) until 31 December 2019

e) **Appointed** the following to the Audit and Finance Committee effective 1 January 2018:

- David Sidwell (Board Member) until 31 December 2019
- Reina Buijs (Board Member) until 31 December 2018
- Kwaku Agyeman-Manu (Alternate Board Member) until 31 December 2019
- Craig Burgess (Alternate Board Member) until 30 June 2019
- Ted Chaiban (Alternate Board Member) until 31 December 2019
- Irene Koek (Alternate Board Member) until 30 June 2019
- Gisella Berardi (Committee Delegate) until 31 December 2019
- Alexandru Cebotari (Committee Delegate) until 31 December 2019
- Emmanuel Maina Djoulde (Committee Delegate) until 31 December 2019
- Chris Taylor (Committee Delegate) until 31 December 2019

f) **Appointed** the following to the Programme and Policy Committee effective 1 January 2018:

- Richard Sezibera (Board Member) until 31 December 2018
- Edna Yolani Batres (Board Member) until 31 December 2018
- Helen Rees (Board Member) until 30 June 2019
- Jean-François Pactet (Board Member) until 31 December 2018
- Jason Lane (Alternate Board Member) until 31 December 2019
- Violaine Mitchell (Alternate Board Member) until 31 December 2019
- Kate O'Brien (Alternate Board Member) until 31 December 2019
- Michael Kent Ranson (Alternate Board Member) until 31 December 2019
- Ahmed Abdallah (Committee Delegate) until 31 December 2019
- Dure Samin Akram (Committee Delegate) until 31 December 2019
- Abdul Wali Ghayur (Committee Delegate) until 31 December 2019
- Vandana Gurnani (Committee Delegate) until 31 December 2019
- Lene Lothe (Committee Delegate) until 31 December 2019
- Susan McKinney (Committee Delegate) until 31 December 2019
- Robin Nandy (Committee Delegate) until 31 December 2019
- Adar Poonawalla (Committee Delegate) until 31 December 2019
- An Vermeersch (Committee Delegate) until 31 December 2019
- Seth Berkley (Board Member, non-voting)
- Alejandro Cravioto (Independent Expert, non-voting) until 31 December 2019

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 Alliance Board:

a) **Reappointed** the following as Chair of the Audit and Finance Committee:

- David Sidwell until 31 December 2019

b) **Reappointed** the following as Chair of the Investment Committee:

- Stephen Zinser until 31 December 2019

c) **Reappointed** the following as Chair of the Programme and Policy Committee:

- Richard Sezibera until 31 December 2018

David Sidwell recused himself and did not vote on Decision Two a) above.

Stephen Zinser recused himself and did not vote on Decision Two b) above.

Richard Sezibera recused himself and did not vote on Decision Two c) above.

Decision Three

The Gavi Alliance Board **amended** Article 4.2 of the By-laws to read as follows:

Each Board Committee shall be composed of three or more Board Members/Alternates. Each of the Board Committees shall have a presiding Chair who shall be one of the Board Members and shall be appointed once every two years by the Board unless otherwise provided in the Statutes, By-laws or Charter of the relevant Committee. If a Representative Board Member is appointed Chair pursuant to this Section 4.2, that individual will not express his/her applicable Eligible Organisation or Eligible Constituency viewpoint in deliberations nor participate in voting at any Committee meeting. The Alternate Board Member for that individual shall be entitled to participate in the Committee meetings to express the applicable organisation's or constituency's viewpoint in deliberations and to vote. Each Board Member (taken together with his or her Alternate or any Committee Delegate, as defined below, if applicable) shall normally be a member of at least one but no more than three Board Committees. *This limit of three Committee memberships shall not include membership of the Market-Sensitive Decisions Committee.* The criteria for Committee membership shall be consistent with the Gavi Alliance gender policy, specifically, that gender balance in all areas of Gavi Alliance work should be ensured, including throughout the governance structures, to the extent possible.

Decision Four

The Gavi Alliance Board:

- a) **Approved** the revised and updated Charter for the Audit and Finance Committee as set out in Annex A to Doc 02d, effective from 1 January 2018;
- b) **Approved** the revised and updated Charter for the Investment Committee as set out in Annex B to Doc 02d, effective from 1 January 2018; and
- c) **Approved** the revised and updated Terms of Reference for the Evaluation Advisory Committee as set out in Annex C to Doc 02d, effective from 1 January 2018.

Decision Five

The Gavi Alliance Board:

- a) **Approved** the flexibilities to include in-country reviews and ad hoc reviews by IRC (Independent Review Committee) members as part of the Gavi review mechanism for country applications, as described in Section B.3. of Doc 02e; and
- b) **Requested** the Secretariat to update any relevant governance documents to enable the implementation of these flexibilities and present the updated governance documents for review and approval by the appropriate governance bodies.

Decision Six

The Gavi Alliance Board:

Found that exceptional circumstances in South Sudan justify the continuation of Gavi support irrespective of its default status on its 2016 co-financing obligations.

3. Country Presentation – Lao PDR

- 3.1 The Chair introduced this item by inviting the Board to view a short film relating to Lao PDR's transition from Gavi support.
- 3.2 His Excellency, Bounkong Syhavong, Minister of Health, Lao PDR, presented an overview of his country's health system and National Immunisation Programme (NIP), with a focus on the country's preparation for transition, due at the end of 2021.
- 3.3 He highlighted progress achieved towards achieving the Sustainable Development Goals (SDGs) with improvement on several key health outcomes, stating that there is still more work to be done and in that context the government is enacting a number of reforms with the health sector.
- 3.4 He outlined the '3 Builds', which describe the distinct role of each of the layers of government, the '4 Breakthroughs', which describe the activities to be prioritised, and the '5 Pillars' which will be used to achieve the objectives.
- 3.5 He presented information on the Health Sector Development plan for 2016-2020 as well as detailed information on the NIP, considered to be one of the priority health programmes of the government, and which has achieved substantial progress over the past 10 years. He highlighted that the government is striving to maximise the equity of immunisation coverage by addressing geographical, wealth, ethno-linguistic and gender-related barriers.
- 3.6 He referred to the powerful impact of introducing new vaccines in Lao PDR and highlighted investments being made to improve data quality.
- 3.7 In the context of Lao PDR's imminent transition from Gavi, he highlighted that the country also prepared to graduate from least Developed Country (LDC) status by 2020 and become an upper-middle-income country by 2030, and is also beginning the process of phasing out from other donor support. This will result in an overall reduction in investments to the country and that managing these simultaneous transitions while also strengthening service delivery will be a key task for the coming years.
- 3.8 In this context he referred to the transition plan, which has been developed by the government with partners and which aims to ensure higher government investments into the health sector and immunisation programmes as well as to strengthen the service delivery system to ensure sustained access to basic health services as Gavi support comes to an end.

- 3.9 He concluded his presentation by confirming Lao PDR's commitment to successfully managing its transition, whilst reiterating that for a developing country facing numerous transitions over a short period of time, continued support from all partners to the country will be essential.

Discussion

- Board members commended the Minister for his outstanding presentation.
- They reflected on the fact that Lao PDR, and other countries, are transitioning simultaneously from different support streams and it was suggested that it could be important for Gavi to ensure that these middle-income countries are monitored and supported through the appropriate mechanism going forward.
- Board members noted with interest the drop in routine immunisation coverage in 2016 due to the refocussing of resources to respond to a vaccine-derived polio outbreak.
- One Board member referred in particular to the impact of the introduction of PCV in Lao PDR and highlighted the importance of messaging the impact of this vaccine in the context of increasing anti-microbial resistance (AMR).
- The Minister confirmed that immunisation and sanitation in rural areas remain a priority for him and that further work needs to be done to ensure that specific government funding is allocated for this.
- In response to a question from a Board member, the Minister indicated that data in relation to vaccination resistance in ethnic groups is not currently compiled. In describing how the primary health care system is structured he did indicate that work is done at the level of the district hospitals to mobilise efforts to reach out to ethnic groups on health issues, including immunisation and sanitation.
- Finally, in relation to a question about how the country deals with migration, the Minister confirmed that there is ongoing cooperation with the Association of Southeast Asian Nations (ASEAN) region and that in Lao PDR there are plans to improve health insurance to cover the entire population present in the country.

4. CEO's report and 2016-2020 Strategy: Implementation and progress

2016-2020 Strategy: Implementation and progress

- 4.1 Seth Berkley, CEO, provided an overview of progress on the mission and strategy indicators, as well as on the disease dashboard.
- 4.2 He highlighted that the Alliance is above trend to immunise 300 million children during this strategic period but that there continues to be challenges in expanding coverage and equity. He reported that the breadth of protection is also above trend.

- 4.3 He provided information in relation to countries meeting the geographic equity target; the wealth equity indicator, which is difficult to measure due to lack of regularly updated data; Gavi countries with the most under-immunised children; vaccine introductions so far in 2017 and that HPV is the main driver of the gap to projection due to supply constraints. He referred to work being carried out to improve knowledge management tools to monitor the progress of introductions proactively.
- 4.4 In relation to strengthening capacity, he indicated that there is a lack of progress on the supply chain strategy indicator and he reported on the progress of supply chain investments across the Gavi portfolio.
- 4.5 He reported on the disbursement and utilisation of HSS grants and indicated that while the achievement of HSS intermediary goals is low there are some encouraging signs of progress.
- 4.6 He highlighted the importance of countries using Grant Performance Frameworks (GPF) to driver coverage and equity and reported that going forward discussions will focus on five areas to improve GPFs.
- 4.7 In relation to improving sustainability, he indicated that 15 countries have been added to the institutional capacity indicator; reported on the work being carried out to invest in Leadership, Management and Coordination (LMC), which is a top risk for the Alliance; highlighted that co-financing progress continues on a strong track; and that there are an increasing number of transitioning countries, most of which are on track to successful transition.
- 4.8 He reported on Gavi's market shaping activities, where there has been a large impact on vaccine costs so far during this strategic period and indicated that the supply-demand balance for key markets is improving, with HPV a notable exception.
- 4.9 Finally, he reported on progress of the Alliance indicators highlighting those relating to new vaccine coverage, technical country assistance (TCA) activities, country reporting and Board and Committee attendance.

CEO's report

- 4.10 The CEO delivered his report to the Board (Doc 04b), setting the scene by presenting an overview of key developments in the global landscape, including recent and pending leadership changes at WHO, UNICEF, the Global Fund (GF) and amongst vaccine manufacturing companies.
- 4.11 He highlighted that Gavi's work has a direct relationship with 14 of the 17 Sustainable Development Goals (SDGs) and expressed satisfaction that the SDG immunisation indicator for 2030 is likely to be changed to cover DTP3, PCV last dose, MCV2 and HPV last dose.
- 4.12 He referred to the increasing use of digital platforms to support the Alliance's work, as well as to increasing vaccine hesitancy and the impact it is having in Gavi countries.

- 4.13 In relation to vaccines themselves, he recalled how Gavi has been a catalyst for market shaping in the pentavalent market, through growing demand, and gave an overview of initiatives, which are working to accelerate vaccine R&D such as the Coalition for Epidemic Preparedness Innovations (CEPI) and the Ross Fund.
- 4.14 Reporting on previous Board decisions, the CEO provided an update on the scale-up of immunisation ahead of other pneumonia and diarrhoea interventions, on Gavi's India strategy, on polio transition, on ongoing work in Syria and Yemen, and on the impact of Gavi's investment in oral cholera vaccine.
- 4.15 He provided an update to the Board in relation to the International Coordinating Group (ICG) where Gavi now has observer status and where, following up on an independent evaluation of the mechanism, work is being done to put in place a formal governance structure with a new oversight body.
- 4.16 He reported that progress in implementing the Eliminating Yellow Fever Epidemics (EYE) strategy has been slow and that recent outbreaks in Nigeria are a cause for concern, not only for the country itself, but also for neighbouring countries. He also referred to the virtual elimination of Meningitis A through routine immunisation and campaigns, and to recent advances in relation to the development of an Ebola vaccine.
- 4.17 The CEO then referred to a number of strategic issues warranting Board discussion, namely the importance of reliable and accurate data to accelerate progress on coverage and equity and balancing sustainability and new vaccine introductions.
- 4.18 He provided an update on the Alliance, referring to activities which are underway as a result of the Alliance Health Survey and to the stronger engagement of CSOs in the work of the Alliance. He also reported on the Gavi People Survey (GPS), which had been carried out earlier in the year and subsequent actions being taken within the Secretariat.
- 4.19 He reported on the recent move of the Secretariat facilities in Washington D.C. and to the upcoming move of the Secretariat facilities in Geneva to the Global Health Campus, where work to achieve operational efficiencies as well as programmatic collaboration with the Global Fund is ongoing.
- 4.20 Finally, he referred to the items, which were being presented to the Board at this meeting for consideration.

Discussion

- Board members noted that while the number of children reached with DTP3 and MCV1 is increasing, overall coverage remains flat and it was suggested that this might be due to increases in population, although further analysis might be required to confirm this.
- It was also suggested that in the context of stable coverage, it could be useful to consider whether it is perhaps the same children who are being immunised

- through campaigns and routine immunisation and whether more work could be done by in-country partners, also at the community level, to address this.
- It was highlighted that the cost of reaching the fifth child is likely to be higher than for the first four and that it is important to factor this into plans and budgets.
 - It was agreed that data should remain a priority not only for the Alliance but also for individual partners within the Alliance, in terms not only of ensuring good quality data, but of also ensuring that countries have the capacity to generate data, which for many is still not necessarily the case. In this context, it was stressed that it will also be important that any related new technologies being introduced in countries remain sustainable for the country.
 - Board members indicated support in relation to the use of new technologies to increase coverage and equity and noted that in this context there is an opportunity to increase partnerships with the private sector. It was proposed that it could be useful for the Board to hear more about this going forward.
 - Board members agreed that the Mid-Term Review (MTR) would be a good opportunity for the Alliance to address coverage and equity and sustainability in more detail.
 - Board members reiterated the importance of ensuring that there is a strategy going forward to monitor transitioned middle-income countries, acknowledging that this is not currently within Gavi's remit. It was also noted by some Board members that there is a need, in this context, for Alliance Partners to provide an update on the implementation of the middle-income countries (MICs) strategy for immunisation.
 - The importance of ensuring commitment from the highest political levels was stressed and the implementation of the supply chain strategy in DRC was commended as a successful example of the positive impact that this had.
 - The Board member representing UNICEF informed participants that UNICEF has recently approved its strategic plan for 2018-2021 and that it might be an opportunity to ensure alignment in relation to vaccine specific targets and indicators and coverage.
 - With reference to HPV vaccine supply shortages, the Board member representing IFPMA reiterated the importance of demand forecasting for industry. She suggested that it could be useful to have a historical analysis of other vaccines with the aim of identifying the root cause of the HPV vaccine supply issues, so as to ensure that vaccines are available in the future when needed. The Secretariat also clarified in response to a question from a Board member that as SAGE has not yet recommended the use of a single dose of the HPV vaccine, Gavi will continue to implement a two-dose programme.
 - In relation to the recent cholera outbreak in Yemen, Board members noted that the country had opted not to apply for vaccines from the cholera stockpile as it would not have enabled them to procure sufficient stock to immunise the entire population. The Secretariat noted the importance for countries to understand that while the stockpile is for use in emergencies, there is a need to find the right

balance between the demand from different countries and ensuring that it is used for realistic campaigns.

- It was requested that more attention be paid to address gender barriers to immunisation going forward, considering in particular that there are only 43% of countries approved for health systems strengthening (HSS) support that currently address this issue.

5. Financial update, including Forecast

- 5.1 David Sidwell, Audit and Finance Committee (AFC) Chair, introduced this item and confirmed that the AFC had reviewed the financial forecast. He noted that it will be important that a good decision process is used to determine how to utilise the amounts available for further investment.
- 5.2 He highlighted that an update on currency hedging was included as Appendix E to Doc 05, which shows that the exposure is relatively low and therefore no longer considered a critical risk.
- 5.3 He also provided an update from the AFC more generally, referring to the annual audited financial statements which had been issued on time with no issues raised by the external auditors; that as Gavi and the World Bank use the same external auditor, and the World Bank will be selecting a new external auditor next year, Gavi will also look to use the same auditor; that the AFC has reviewed the progress made by the Audit & Investigations team; and that the AFC continues to have oversight of the whistle-blowing process, the Secretariat's Knowledge Management and Technology Solutions plans, business continuity, cyber security, and the move to the Global Health Campus.
- 5.4 Barry Greene, Managing Director, Finance & Operations presented the updated financial forecast of resources and expenditure for 2016-2020, and provided an indicative expenditure forecast for 2021-2025 (Doc 05). He confirmed that the forecast indicates that sufficient resources are available such that all the decisions recommended for approval can be made in accordance with the Gavi Programme Funding Policy.
- 5.5 He noted that compared to the forecast approved in December 2016, some expenditures have shifted to the next strategic period. He confirmed that some of the IFFIm proceeds previously planned for 2018-2020 will be postponed until after 2020, to align with these delayed expenditures.
- 5.6 He highlighted that the funds available for further investment in 2016-2020 are not guaranteed, and will significantly reduce if the additional forecast direct contributions are not realised.

Discussion

- Board members raised clarifying questions on the underlying drivers of the savings in the forecast, and the Secretariat confirmed how much of the change was due to changes in volume versus price changes.

- In response to queries from Board members, the Secretariat confirmed that additional costs relating to the Nigeria strategy were reviewed by the AFC but removed from the updated forecast, as they were not approved by the PPC for recommendation to the Board.
- Board members noted that there could be additional costs incurred in order to achieve Gavi's coverage and equity agenda (for example, the higher costs of reaching the fifth child and pursuing subnational approaches). It was requested that the approach and potential additional investments required to advance coverage and equity be discussed further at the Board retreat planned for March 2018.
- In response to a request from a Board member, the Secretariat confirmed that value for money and efficiency gains would be further considered as part of the MTR.

Decision Seven

The Gavi Alliance Board:

Approved the Financial Forecast as set out in Figures 1 to 4 in Section B of Doc 05 for the period 2016-2025 within which the Secretariat is authorised to allot funding to programmes in 2018 for new programmes and for the continuation and adjustment of funding, in accordance with the Programme Funding Policy.

6. Risk & Assurance Report

- 6.1 David Sidwell, AFC Chair, introduced this item to the Board. He noted that this is the second annual Risk and Assurance report to be presented to the Board, and that this report has been reviewed by the AFC and the PPC. He commended the quality of the report, noting that it shows the significant progress that has been made.
- 6.2 He confirmed that the report only covers the top risks and is not trying to cover all risks facing the organisation. In addition, each top risk has been assigned to a risk owner in the Secretariat and to Board committees for on-going oversight.
- 6.3 Jacob van der Blij, Head of Risk, presented Gavi's second annual Risk and Assurance report to the Board, focusing on how the top risk profile has evolved since last year and how actual risk exposure compares to the Board's stated risk appetite (Doc 06).
- 6.4 He noted that the report includes an expanded analysis on the external risk factors to Gavi (such as the economic, political, geo-political and natural environment) and how these may impact Gavi's risk profile. He outlined the changes in the key risks since the last report, and noted that a potential new risk on polio transition has been identified but is still to be fully assessed.

6.5 He highlighted that three key risks are currently assessed to be outside risk appetite: country management capacity, data quality and ability to reach the under-immunised. He confirmed that there is a lot of work being done to address these risks, but noted that it may take time to see the impact of some interventions on the residual risk level.

Discussion

- Board members expressed their satisfaction with the quality of the report and noted that it provided a good analysis of Gavi's key risks. Members agreed that the report provided a good basis to inform the AFC, PPC and Board's discussions on risk.
- In response to queries from Board members, the Secretariat confirmed that the country transition risk has slightly decreased due to the successful transition of certain countries and because the Board was discussing specific strategies to address the highest-risk countries, but noted that the risk remains very high given that a number of higher risk countries are approaching transition at the end of this year.
- Board members agreed that the three risks identified as being outside of appetite needed further attention. In particular, there was broad agreement that the ability to reach the under-immunised was a mission critical risk that required further investigation. Board members requested a more detailed discussion on this risk at the Board retreat planned for March 2018. It was suggested that focusing on missed children rather than coverage, might enable a mind-set shift in addressing this risk.
- Board members agreed that data quality remained a very high risk and that more needed to be done in this area, including incorporating gender into data, using innovative technology, focusing on sub-national data and using data to understand the drivers of coverage.
- Board members acknowledged the higher risk relating to country management capacity, and one Board member commented that this risk is not always about not having the available capacity, but that countries do not have the environment to leverage the available capacity. Therefore, it was suggested that focus should also be on building the environment to leverage the capacity countries already have.
- The Secretariat confirmed that the intention of the Programme Capacity Assessments (PCAs) is to be a tool for countries to improve their capacity. Separate tailored transition assessments are conducted for transitioning countries, which are currently not covered by PCAs.
- A Board member also highlighted the risk that Gavi may be left behind in terms of topical critical issues, which could reduce its strategic relevance. It was noted that this should be considered going forward when considering Gavi's goals for the next strategic period. It was furthermore suggested that the vaccine confidence risk could be reframed more broadly as absence of demand and it was noted that CSOs could play a role in this area. It was also suggested to be clear on what is

in and outside Gavi's control, and where more advocacy would be needed. A Board member also highlighted the growing risk of fragility due to an increasing trend in conflicts and emergencies.

- In response to a question from a Board member, the Secretariat confirmed that the risk culture throughout the organisation is improving. The open discussions on risk at the Board are reflected throughout the organisation, including at the regular Risk Committee chaired by the CEO. All key risks have been allocated risk owners, and formal risk management processes are being implemented. Risk is not seen as a separate exercise, but is instead embedded throughout the organisation. As noted in the report, the Secretariat confirmed that further engagement with partners is required to ensure that risks are consistently managed across the Alliance.

Decision Eight

The Gavi Alliance Board:

Approved the 2017 Risk & Assurance Report attached as Annex A to Doc 06.

7. Partners' Engagement Framework

- 7.1 Anuradha Gupta, Deputy CEO, presented an update to the Board on the progress of the implementation of the Partners' Engagement Framework (PEF) (Doc 07).
- 7.2 She noted that continuous improvement and learning is essential to the PEF model, and that a prospective evaluation of Target Country Assistance (TCA) by Deloitte has already commenced, with a baseline assessment conducted in 2017. She confirmed that the Deloitte study had highlighted significant improvements in country ownership, transparency and accountability under PEF. The study also highlighted the need for partners to move away from business-as-usual methods of providing technical assistance, and for partners to adopt more tailored and contextualised approaches, as well as new ways of fostering the transfer of skills to partners.
- 7.3 She confirmed that under PEF, funding to partners is no longer incremental or guaranteed, but is instead driven by a consideration of country needs, comparative advantage and performance.
- 7.4 She highlighted that more expanded partners are being engaged under PEF, and that there is a focus on identifying and engaging local partners where possible. She confirmed that an internal audit is currently being conducted to review the integrity of the processes for identifying and contracting expanded partners.
- 7.5 She noted that resources through PEF are moving from regional/global level to the country level, in line with previous guidance provided by the Board. She confirmed that going forward, there will be a greater results focus as well as ensuring that countries have more frequent opportunities to provide feedback on the quality of the technical assistance received.

- 7.6 She confirmed that an increase in TCA funding was proposed for 2018 and 2019 to allow greater support to tier three countries (particularly those in fragile situations), to enable further sub-national TCA to be provided, and to ensure greater support for strategic focus areas.
- 7.7 Barry Greene, Managing Director, Finance & Operations provided an overview of the proposed PEF and Secretariat budgets for 2018-2019, noting the key changes from the 2017 budget. He confirmed that the global/regional expenses are proposed to remain flat against budget, with increases proposed for TCA and private sector partnerships, as well as a one-off cost for the move the Global Health Campus. He also highlighted that costs associated with the MTR and replenishment preparation have been absorbed in the proposed budgets.
- 7.8 He provided an overview of the key efficiency ratios and noted that, based on the proposed budget, the ratios will further improve.

Discussion

- The Board acknowledged the positive progress on PEF including the significant increase in transparency, accountability and country orientation. The Board noted that PEF is a significant success and has made Gavi a global leader in this area.
- The Board congratulated the Secretariat on presenting a fiscally responsible budget proposal taking into account the previous Board guidance provided.
- The Secretariat confirmed, in response to questions from Board members, that the allocation of TCA funding to partners under PEF is ultimately the country's choice. Board members therefore encouraged the Secretariat to ensure countries had enough opportunity to provide feedback on the technical assistance they are receiving.
- In response to requests from Board members, the Secretariat, WHO, UNICEF, and the World Bank spoke about some of the remaining challenges to be addressed under PEF, including the need for more innovative and tailored approaches for providing technical assistance.
- WHO confirmed that under their new programme of work, focus will be on more strategically supporting countries and ensuring an appropriate allocation between the global/regional level and country level.
- In response to questions raised by Board members, the Secretariat confirmed that it is very focused on achieving value for money within both the PEF and Secretariat budgets.
- The Secretariat confirmed, in response to specific requests from Board members, that an overview of investments in private sector partnerships (now a separate budget line in the PEF budget) will be provided to the PEF Management Team.

- Board members raised questions relating to technical assistance for countries post-transition. It was noted that this would be discussed separately under Engagement with Countries Post-Transition (Doc 14).

Decision Nine

The Gavi Alliance Board:

- a) **Approved**, within the overall amount of US\$ 218.9 million for 2018 and US\$ 228.6 million for 2019 for the Partners' Engagement Framework, the following allocations:
- US\$ 85 million in 2018 and US\$ 95 million in 2019 for Targeted Country Assistance;
 - US\$ 29 million annually for 2018 and 2019 for Special Investments in Strategic Focus Areas
 - US\$ 36.4 million annually for 2018 and 2019 for Foundational Support;
 - US\$ 19 million in 2019 for UNICEF Supply Division for fees to implement vaccine and related supplies procurement;
 - Up to US\$ 1.9 million in 2018 (in addition to the US\$ 2.4 million already approved for 2018 by the Board in June 2017) and US\$ 3.6 million in 2019 for UNICEF Supply Division for fees to implement cold chain equipment;
 - US\$ 26 million annually for 2018 and 2019 for investing in Partnerships in Innovation to be administered by the Secretariat;
 - US\$ 19.3 million for 2018 and US\$ 19.7 million for 2019 for impact assessments and evaluations to be administered by the Secretariat;
- b) **Approved**, US\$ 115.3 million in 2018 and US\$ 107.8 million in 2019 for Secretariat Engagement;
- (c) **Approve**, US\$ 2.5 million in 2018 and US\$ 1 million in 2019 for capital expenditure budgets to implement the Secretariat's part of the Gavi Engagement Framework.

Ted Chaiban (UNICEF) recused himself and did not vote on points a) i), ii), iii) iv) and v) of the decision.

Rama Lakshminarayanan (World Bank) recused herself and did not vote on points a) i), ii) and iii) of the decision.

Oyewale Tomori (R&THI) recused himself and did not vote on points a) i), ii) and iii) of the decision.

Clarisse Loe Loumou (CSO) recused herself and did not vote on points a) i), ii) and iii) of the decision.

8. Typhoid conjugate vaccine support window

- 8.1 Richard Sezibera, Programme and Policy Committee (PPC) Chair, introduced this item (Doc 08), recalling that Gavi support for a typhoid conjugate vaccine (TCV) programme was prioritised as early as 2008, but that there had been delays in the development of a suitable vaccine. As a pre-qualified vaccine is expected by the end of 2017, and SAGE has provided guidance on the use of typhoid conjugate vaccines into routine systems in children over six months and as a one-time catch-up of children up to 15 years of age, the PPC is proposing that the Board agree to open a funding window to enable preparatory activities in 2018 and introductions by mid-2019.
- 8.2 Michael Thomas, Director, Vaccine Implementation, presented information in relation to why Gavi should consider TCV, recalling related discussions that had taken place since 2008, which TCVs were prioritised in Gavi's first Vaccine Investment Strategy (BVIS).
- 8.3 He presented an overview of SAGE's discussion on TCVs, information in relation to expected impact and value for money, highlighting that there will be supply constraints in the initial years to 2020. He highlighted key opportunities for the Alliance in introducing TCVs, and concluded by highlighting that the importance of the learning agenda which will accompany introduction of the vaccine.

Discussion

- Board members indicated strong support for the proposed recommendation to open a support window for typhoid conjugate vaccine.
- Board members highlighted the importance of the learning agenda, noting that in many countries that there is a lack of data in relation to typhoid, which is quite often misdiagnosed, and that there is therefore a need for stronger surveillance and monitoring.
- The importance of the vaccine being used alongside other efforts such as access to clean water and sanitation was highlighted.
- The importance of ensuring that this vaccine is integrated into routine immunisation programmes was also highlighted, and that it is not used primarily for campaigns.

Decision Ten

The Gavi Alliance Board:

- a) **Approved** the opening of a funding window for TCVs subject to the Secretariat receiving confirmation of WHO PQ of a vaccine such that in 2018, the Secretariat can invite country proposals for support from Gavi eligible countries.
- b) **Noted** that the financial implications associated with the above approval for the period of 2019-2020 are expected to be approximately US\$ 85 million, which has

been taken into account in the financial forecasts to be presented to the November 2017 Board for the 2016-2020 period.

- c) **Requested** the Secretariat to develop a process to enable allocation of vaccines in Gavi-supported countries if needed in case of a typhoid outbreak and if requested by WHO.
- d) **Requested** that, no later than two years from the first country introduction and in addition to regular updates, the Secretariat formally report back to the PPC and Board on lessons learned from initial country introductions and outbreak usage.

Susan Silbermann (IFMPA) and Sai Prasad (DCVMN) recused themselves and did not vote on this decision.

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.

10. Chair's overview

- 10.1 The Chair reflected briefly on the previous day's discussions.

11. Committee Chair and IFFIm Board reports

- 11.1 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.

Investment Committee

- 11.1 Stephen Zinser, Investment Committee Chair, delivered the report of the Investment Committee, which had met twice since the June Board meeting, on 3 August and 9 November 2017 by teleconference. He updated the Board on the macro environment and markets, the portfolio and performance review, the key highlights for the second half of 2017 and the key priorities for 2018.
- 11.2 He indicated that market sentiment is currently mixed. He indicated that signs of moderating risk appetite have emerged and that while market enthusiasm swept aside political risk this year, markets are beginning to reassess the implications.
- 11.3 Mr Zinser informed Board members that in 2017 the European and US equity markets have performed well, and that Emerging Markets have been the biggest contributor to the global equity rally. He indicated that while emerging markets and high yield fixed income have enjoyed solid performances, moderating risk appetite

and tight spreads will cap further gains. In relation to currencies, he indicated that US\$ weakness has been the big surprise this year and that commodities are in higher demand due to stronger global economic growth and compliance with OPEC's supply cuts have produced tighter oil supplies and higher prices.

- 11.4 He reviewed the short-term and long-term investment portfolio objectives as outlined in his written report to the Board. He also reviewed the size of the portfolios, and their respective performance to end September 2017. He confirmed that Gavi's investment portfolios generated an estimated net investment income of US\$ 87.9 million through September, and expected US\$ 94.6 million of net investment income through October based on the latest performance estimate.
- 11.5 Finally, Mr Zinser concluded with a review of key highlights for the second half of 2017 and the priorities for 2018, which includes maintaining a focus on risk, maintaining robust monitoring practices and continuing to update and fine tune the Socially Responsible Investment (SRI) policy.

Discussion

- Board members commended the Investment Committee and the Investment Team for their work, considering that Gavi's return on investment is at a historic high.
- In response to questions from a number of Board members, Mr Zinser confirmed that the SRI policy does not currently address potentially climate change sensitive investments but that this is something that can be considered as part of the ongoing assessment of market trends and criteria in this area.
- In the context of the solid returns on investment, and Gavi's underspend in the current strategic period, Board members suggested that it would be useful for the Investment Committee to consider whether it might now be opportune for Gavi to reconsider, in part, its investment objectives. In particular, an analysis of whether or not there is a need for Gavi to maintain its current somewhat extreme levels of liquidity in the Longer Term Portfolio and whether or not a portion of this risk exposure could be allocated to assets carrying a more medium term liquidity horizon. It was suggested that this should be brought back to the Board for consideration.

Evaluation Advisory Committee

- 11.6 Rob Moodie, Evaluation Advisory Committee (EAC) Chair, delivered the report of the EAC, noting that it had met once since the June Board meeting, on 24-25 October 2017 in person.
- 11.7 He provided information on the recent peer review of Gavi's evaluation function, outlining the key strategic recommendations. He highlighted work being carried out in conjunction with the PPC to identify evidence needs in the design and implementation of Gavi policies and programmes, as well as to ensure that evidence is relevant, of high quality, and timely.
- 11.8 He reported on work being done to strengthen collaborations with other institutions such as the Global Fund, in particular highlighting collaboration between Gavi's

Full Country Evaluations (FCE) project and the Global Fund's Prospective Country Evaluations (PCE) project.

- 11.9 Finally, Professor Moodie emphasised the utilisation focus of Gavi's evaluation work, referring in particular to the ongoing evaluation of TCA within the PEF, and the importance of leveraging evaluation findings to inform reviews of Gavi policies and programmes, MTR and Gavi 5.0.

Discussion

- Board members recognised the need for an independent evaluation function and agreed on the importance of the findings of Gavi's evaluation work being carefully looked at and used to the benefit of Gavi's policies and programmes going forward.
- The importance of the evaluation findings as Gavi moves towards the MTR was highlighted, including where those results might not be positive, as it is also important that the Alliance can learn lessons and improve.
- It was noted that there is a huge amount of information available in relation to the evaluation findings and that it would be useful to explore ways in which the key lessons could be shared with the Board going forward. This would be particularly important if issues are being identified and re-identified, as the Board needs to be accountable for ensuring that they are addressed.
- The Secretariat noted that as much of the evaluation work is now prospective rather than retrospective, findings can be used in a much more timely manner to address bottlenecks, as was the case for example when reviewing Gavi's HPV strategy.

IFFIm

- 11.10 Rene Karsenti, IFFIm Board Chair, delivered a report of the activities of the IFFIm Company, providing an overview of the funding IFFIm has provided for Gavi since 2006 and that the projected proceeds for the 2016-2020 strategic period are US\$ 950 million with expected proceeds to increase by at least US\$ 350 million in the next funding cycle. He provided information on IFFIm's financial position, which is currently strong.
- 11.11 He provided an update in IFFIm funding, highlighting IFFIm's successful return to the International US\$ benchmark market. He referred to IFFIm's alignment with Social Bond Principles, which increasingly appeals to socially responsible investors, and he outlined the advantages for those choosing to invest in vaccine bonds.
- 11.12 Mr Karsenti gave an operation update in terms of outreach to investors and IFFIm Board decisions, and recalled that, as he will be stepping down at the end of 2017 after completing two terms as IFFIm Board Chair, Cyrus Ardalan has been appointed to succeed him as IFFIm Chair from 1 January 2018.
- 11.13 He concluded by presenting information relating to the status of IFFIm's strategic initiatives, namely financial commitments for market shaping (active), supporting

the Cold Chain Equipment Optimisation Platform (CCEOP) (active), vaccine scale-up (future initiative) and contingent pledges for outbreak response (standby).

Discussion

- Board members noted that while the mandate of IFFIm is vaccines, and it is an instrument at the service of Gavi, interest has been shown in the IFFIm model from other sectors such as education and sanitation. IFFIm Board members provide advice and expertise in relation to such initiatives for whom it is likely that the model would have to be modified to meet their specific objectives.
- Board members noted that IFFIm is very much admired as an innovative instrument in the capital markets and that in this context it could be useful to look at how IFFIm might be leveraged to contribute to reducing the funding gap for the SDGs.
- It was noted that while there is a need to diversify, and the strategic issues presented are interesting, it will be important to ensure that they are aligned with other instruments and with Gavi's capacity to do things differently.
- In response to a query from a Board member, Mr Karsenti shared his personal view that the capital markets are seeing an important transition to a new model with younger investors looking not only at financial return but also at social impact. This is transforming the way asset managers and large funds are looking at the ways in which they are investing.
- The Chair thanked Mr Karsenti for his commitment as IFFIm Board Chair, wishing him well, and looking forward to working with Mr Ardalan going forward.

12. Vaccine Investment Strategy: methodology

- 12.1 Richard Sezibera, PPC Chair, introduced this item, highlighting that the Vaccine Investment Strategy (VIS) is a unique innovative process, and that this would be the first of three related discussions that the Board would be having on this topic over the coming year.
- 12.2 Judith Kallenberg, Head, Policy, presented this item to the Board (Doc 12), giving an overview on the process, demonstrating how Gavi's vaccine portfolio has diversified to include investments beyond routine immunisation, and highlighting that the VIS is an evidence-driven, consultative process to identify new vaccine opportunities and priorities.
- 12.3 She outlined that there are 20 diverse vaccine candidates which will require a differentiated evaluation approach, and outlined the proposed criteria to evaluate vaccines for endemic disease control through planned/routine immunisation. She outlined the consultative process which will start in early 2018 to determine criteria weighting and highlighted that there are ongoing vaccine assessments in close cooperation with technical partners.

- 12.4 She indicated that the PPC has asked that further work be done in relation to potential criteria for epidemic vaccines, that the PPC did not feel that it was within Gavi's mandate to fund pre-licensure vaccines, and that new vaccines for epidemic diseases should be assessed on a case by case basis, including those funded through CEPI or other initiatives.
- 12.5 She explained that following recent SAGE recommendations there is no longer a need to consider expanded PCV investments in the VIS process. It has therefore been removed from the 'long list' and a proposal to update Gavi's PCV programme support in line with SAGE recommendations for PCV catch-up upon introduction will be taken to the PPC in May 2018 for consideration.
- 12.5 Finally, she reminded Board members that information in relation to Gavi's potential role in polio eradication post-2020 will be considered by the PPC and Board in May and June 2018 respectively.

Discussion

- Board members stressed the importance of engaging with countries early in the VIS process not only to get their views but also to ensure the political will needed to invest in vaccines in the future. One Board member also noted that the VIS process risks creating a siloed, disease-centric approach, and suggested a shift towards a more people-centric approach, for example considering delivery of an essential healthcare package.
- It was suggested that it could be useful to look at the economic impact of vaccines in terms of reducing direct and indirect costs. The Secretariat noted that the VIS Steering Committee had highlighted that there are data limitations relating to the costs averted by vaccination and that input from both the literature and disease experts would be utilised to best estimate economic impact.
- In the context of the discussion on vaccines for epidemic diseases, one Board member suggested that it would be useful for many countries if capacity building in surveillance systems could be encouraged.
- Board members referred to the importance of aligning the VIS discussions with the MTR and also with discussions relating to Gavi's next strategy.
- The Secretariat noted interest expressed by a number of constituencies in being involved in discussions related to the weighting of criteria and clarified that there will be wide consultation and communication around this going forward. It was suggested that it might be useful to propose up to three different ways of weighting upfront so as to avoid 'cherry picking'.
- The Secretariat clarified that the aim of the VIS is to take an end-to-end view of all vaccines, including cost, implementation feasibility and alternative disease-specific interventions that may be available. One Board member suggested that it could also be useful to include considerations related to the potential impact and costs for the Secretariat.

- The Secretariat noted that there is a lot of interest in AMR and this will be an important indicator. As it is a relatively unexplored area more work needs to be done in relation to ascertaining how it will be measured. It is seen as a real area of potential innovation that can come through the VIS.
- In relation to a question on vaccine safety, the Secretariat clarified that WHO recommendations are followed. They would be further examined should there be any questions within those recommendations.

Decision Eleven

The Gavi Alliance Board:

- a) **Approved** the evaluation criteria for potential new investments in vaccines and other immunisation products primarily intended for endemic disease prevention; these include ranking criteria (health impact, economic impact, equity and social protection impact, global health security impact, and value for money), secondary criteria (other impact, Gavi's comparative advantage, broader health systems benefits, implementation feasibility, and alternate interventions) and cost criteria (vaccine cost, operational cost, and additional implementation costs) as further described in Table 1 and Section 4 of Doc 07 to the PPC *[as included in Annex C to Doc 12 to the Board]*;
- b) **Requested** the Secretariat, in consultation with WHO and other experts, to develop evaluation criteria for potential new investments in vaccines for epidemic response for PPC review and Board approval.

13. Engagement with countries post-transition

- 13.1 Richard Sezibera, PPC Chair, introduced this item, highlighting that the PPC had a rich discussion on post-transition engagement (Doc 14). He reported that while all PPC members agreed on the importance of this topic and that the policy is working well, diverse views on how to mitigate risks around transition and how Gavi should continue to engage in post-transition were expressed, particularly in areas around missed opportunities for vaccine introductions and programmatic risks.
- 13.2 He indicated that since the PPC met in October this item has continued to be the subject of many discussions and he referred to two proposed amendments which had been circulated to Board members the previous evening and which would be presented now to the Board by the constituencies proposing them. Dr Sezibera was pleased to inform Board members that there had been fruitful discussions between the donor and developing country constituencies in relation to the proposed amendments and that there would appear to be strong support for both.
- 13.3 Santiago Cornejo, Director, Immunisation, Financing & Sustainability, presented this item to the Board. He recalled that sustainability is ingrained in all Gavi's support and that Gavi's approach to sustainability has evolved over time. He provided an overview of the countries that will have transitioned by end 2020 and

provided information relating to the work to build country ownership and sustainability.

- 13.4 He recalled the related discussions at the Board retreat in April 2017 and at the Board meeting in June 2017, where scenarios for post-transition engagement were presented. Finally, he provided an overview of the PPC discussions and recommendations from their May 2017 meeting.
- 13.5 Blair Exell informed Board members that following reflections on the PPC discussions and discussions with others in the meantime, his constituency was proposing an amendment to the proposed recommendation to include a modest budget allocation through 2020 for Phase 3 country support. This recognised that countries would value an ongoing relationship with Gavi even when paying for their own vaccines, and that the Board felt a form of “after care” was appropriate to help address risks to sustainability and help with the introduction of vaccines in future – where those vaccines were also fully funded by the country. Mr Exell highlighted the important contribution of this work to Gavi’s long-term learning agenda. While post-transition support would not include payment for vaccines, it was important to recognise that all types of support come with a cost and to clarify confusion around the term “non-financial support”. A budget envelope was also important to ensure there is no need to have trade-offs with other PEF investments.
- 13.6 Orin Levine informed Board members that he was proposing to introduce a new decision point relating to the “grace year” rule. He recalled that the intention of including this in the policy originally was to avoid a dash for the cash but that it may have unnecessarily rushed things. It is therefore being proposed that Phase 2 countries can apply for new vaccines at any time during the accelerated transition phase, as long as applications go through the procedures and processes, which are in place to ensuring adequate planning, oversight and monitoring, and attention to sustainability.

Discussion

- Board members noted that the proposed support for Phase 3 countries would not necessarily apply to Angola, Congo, Nigeria, Papua New Guinea or Timor Leste, as Nigeria and Papua New Guinea were to be discussed under a different agenda item at this meeting by the Board, and that it was being proposed that specific actions to mitigate risks in Angola, Congo and Timor Leste be presented to the PPC and Board in June 2018.
- Board members also noted that the AFC had confirmed at its October 2017 meeting that funding would be available to support post-transition countries if required.
- Board members indicated their support for the proposed recommendations, with the amendments, acknowledging the importance for transitioned countries of remaining within the Gavi family, even if this is primarily through non-financial engagement.
- Board members acknowledged that not all Board constituencies are working with the same levels of information. There is work to be done, for example, in ensuring

that the needs of the countries are clearly articulated and understood by all, and also that the countries have a clear understanding of the support that is available for them. Specifically, developing countries needed clearer and more timely advice on the access to appropriate pricing approach to ensure this informed decision-making on vaccine introductions.

- Board members noted that one of the elements of the Gavi model, which makes it attractive, is that there is emphasis on domestic resource mobilisation and countries eventually transitioning and being able to sustain their own immunisation programmes. In this context, it was suggested that implementing countries need to take the lead and help the Board to have a better understanding of their needs in the transition and post transition periods so that this can be better taken on board.
- The importance of political will was again emphasised in the context of transition. It was suggested that it could be useful to have a dashboard of different criteria to measure successful transition, as well as a dashboard to follow transitioned countries to monitor how they are doing. The Secretariat noted that the PPC has already had a discussion in relation to a dashboard on sustainability tracers.
- In terms of financing, it was proposed that assistance should be provided to countries to get them to think more about innovative financing models going forward, in particular taking into consideration that many countries will be transitioning simultaneously from different funding streams as had been highlighted during the Lao PDR presentation.
- Board members noted that it will be important to ensure that if Phase 2 countries wish to introduce new vaccines they do have the capacity to do so effectively to ensure coverage, equity and sustainability, both programmatic and financial. One Board member also commented that should the IRC indicate that a transitioning country is not ready to introduce new vaccines, the Board will need to be ready to consider the consequences in the context of a desire to ensure successful transition.
- The Board member representing the IFPMA constituency noted that it is critical that planning take place as early as possible in the accelerated transition phase in order to enable industry to understand potential supply needs. It was noted that the adjustment of the grace year, intended to take effect immediately, for new vaccine introduction through the transition phase means that industry does not currently have insight on the number of countries that might apply to introduce new vaccines as a result of the policy change or which vaccines and the related quantities that would be needed. It was highlighted that this clarity should be prioritised in the short-term.
- The Chair concluded the discussion by commending the spirit of cooperation that has come with the proposed amendments.

Decision Twelve A

The Gavi Alliance Board:

- a) **Requested** the Secretariat to engage with Gavi Alliance partners in high-level political advocacy and undertake more detailed analysis of the risks to successful transition in Angola, Timor-Leste and Congo and consider the options for how/whether these risks could be mitigated by the Gavi Alliance for consideration by the Board in June 2018. This analysis should include:
- Whether programmatic risks are occurring in these countries during the transition phase.
 - An assessment of the impact of mitigation strategies outlined in the Transition Policy, Partners' Engagement Framework, the approach to ensuring Access to Appropriate Pricing for Phase 3 countries.
 - Is the country on a good trajectory with respect to financial sustainability?
 - Has the country demonstrated political will?
 - Could further potential actions from the Gavi Alliance help to mitigate these risks?
- b) **Approved** continued Gavi Alliance engagement with Phase 3 countries as they sustain and introduce self-financed vaccines and, when requested by Phase 3 countries, fund targeted support to such countries under the Partners' Engagement Framework (PEF) through a budget allocation for Phase 3 country support up to US\$ 30 million until 2020; and
- c) **Requested** the Secretariat, with the support of the PEF Management Team (MT), to report through the Audit and Finance Committee (AFC) and the Programme and Policy Committee (PPC) to the Board on engagement with Phase 3 countries; and
- d) **Requested** the Secretariat to analyse how Alliance mechanisms to support transitioned countries are working and identify any gaps and also analyse mechanisms being used by other non-Gavi eligible middle income countries and report back to the PPC.

Decision Twelve B

The Gavi Alliance Board:

- a) **Approved** the extension of the grace period for new vaccine introduction during the accelerated transition phase (Phase 2) from one year to the full five years, if vaccine introductions during accelerated transition effectively contribute to strengthening routine immunisation and increasing coverage and equity;
- b) **Recognised** that this is a country-led decision, and looks to the Independent Review Committee (IRC), Secretariat and Alliance Partners to work with countries to ensure that vaccine introductions do not pose a risk to coverage and equity;
- c) **Requested** the IRC, in its recommendations, provide a summary of its risk analysis on the above mentioned criteria;
- d) **Requested** that the Secretariat closely monitor vaccine introductions during the accelerated transition phase and regularly update the PPC and Board on progress –

especially on the coverage and equity aspects of previously and newly introduced vaccines.

14. Successfully transitioning Nigeria and Papua New Guinea from Gavi support

- 14.1 Richard Sezibera, PPC Chair, introduced this item and referred to the discussion held in the closed session of the Board where Nigeria was specifically discussed.
- 14.2 He reminded Board members that Nigeria and Papua New Guinea were identified at the Board retreat in April 2017 as two countries facing higher transition risks.
- 14.3 He confirmed that for Nigeria, a set of principles have been proposed by the PPC to guide the Secretariat's engagement. Based on these principles, the intention is for a transition plan to be agreed that will extend beyond the formal transition deadline.
- 14.4 He confirmed that for Papua New Guinea, certain exceptions are proposed to the current transition policy to encourage a successful transition, noting that no extension to the transition deadline is currently proposed and the planning process in-country focussed exclusively on how improvements could be made in the immediate future. He noted that the minority position expressed in the paper for Papua New Guinea by the donor constituency anchored by Germany has now been resolved. A review of progress in Papua New Guinea would come to the Board in 2019.
- 14.5 Pascal Bijleveld, Director, Country Support, presented background contextual information on each country as well as an overview of the recommendations for the Board's consideration (Doc 15).

Discussion

- Board members acknowledged the very difficult situation in Nigeria, and recognised the need to move forward in a well-coordinated manner and with a sense of urgency. They acknowledged the need for high-level engagement and support from across the Alliance, and the importance of engaging the right stakeholders at all levels.
- Board members identified the need to adopt new ways of working in Nigeria including engaging the private sector, engaging with different types of leaders (such as political, religious, traditional and youth), and having differentiated approaches as circumstances may require.
- Board members requested that as part of formulating the transition plan for Nigeria, clear indicators and metrics are included to allow for adequate monitoring of progress.
- Board members advised the Secretariat to ensure that the Nigeria transition plan is based on detailed analysis of available data, both from within and outside the

country. It was noted that it will be important to learn from previous experience and have detailed diagnostics to inform the development of the plan.

- The Board commended Papua New Guinea's commitment to meeting the transition date, but noted that progress will need to be closely monitored. The Board would need to consider the transition risks again when a review of progress is presented to the Board in 2019.

Decision Thirteen

The Gavi Alliance Board:

- a) **Requested** the Gavi Secretariat to work closely with the broader Gavi Alliance partners to engage with the Government of Nigeria to develop a "Nigeria Transition Plan" for PPC review and Board approval in June 2018 that is based on the Gavi principles of country ownership and sustainability as well as the guidance provided by the PPC;
- b) **Allowed** the Secretariat jointly with Alliance partners and other key stakeholders to engage with the Government of Nigeria on the Nigeria Transition Plan based on certain policy flexibilities, understanding that the Secretariat will need to conduct further analyses on these aspects in consultation with broader Alliance partners and that appropriate timelines and conditionalities are incorporated.

Decision Fourteen

The Gavi Alliance Board:

- a) **Approved** the following measures as mitigation strategies for risks to Papua New Guinea's ("PNG") sustainable transition:
 - i) HSIS: Increase the HSS funding ceiling from US\$ 6 million to up to US\$ 12 million for the remaining period of HSS support and allow Gavi funds to be used also for selected recurrent outreach costs, contingent on the Government committing that these cost categories will be budgeted post-transition;
 - ii) MR Campaign: Allow PNG to apply for a Measles Rubella campaign in 2018 and authorise the CEO, based on an IRC recommendation, to allocate associated operational support costs at a level required by the circumstances in PNG, including for staffing costs;
 - iii) NVS: Allow PNG to apply for new vaccine support until they transition out of Gavi support;
 - iv) Co-financing: Allow the Secretariat to negotiate with PNG to adjust its co-financing rates to fit within its trajectory towards successful transition by 2021.
- b) **Requested** the Secretariat to report to the PPC and Board in 2019 on progress.

15. Country Programmes: strategic issues

- 15.1 Hind Khatib-Othman, Managing Director, Country Programmes, presented to the Board on strategic issues relevant to Gavi's Country Programmes (Doc 13). She provided an update on channelling funding away from and back to government systems, which was previously discussed by the Board members in June 2017.
- 15.2 She referred to previous guidance provided by the Board confirming that the government systems should be used whenever possible. Where this is not possible then channelling funds via partners (or other mechanisms such as fiscal agents) may be necessary, but this should be a temporary, time-limited action.
- 15.3 She confirmed that two-thirds of cash support was channelled away from government systems in 2016, and half of the cash grants in countries approaching transition are channelled through partners. She noted that the Secretariat has qualitative and quantitative criteria in place for deciding whether to channel funds through entities outside of government. In situations where funds are channelled away from government systems, she confirmed that the Secretariat focuses on building capacity in-country in order to be able to return funding through the country systems. She confirmed that the Secretariat is currently working with UNICEF and WHO to agree on an updated memorandum of understanding that more clearly defines the roles, responsibilities and costs when funds are channelled through partners.
- 15.4 Robin Nandy, Principal Advisor and Chief of Immunization, UNICEF, presented to the Board on the impact of supplementary immunisation activities (SIAs) on routine immunisation. He noted that in the current strategic period, nearly 50% of Gavi support for immunisation events will be for SIAs. He commented that a review of SIAs in four different countries highlighted the diverse impacts of SIAs.
- 15.5 He noted that although SIAs can divert resources from routine immunisation, they remain important tools as long as they are well planned and of a high quality. He confirmed that the PPC had endorsed potential approaches to ensuring that SIAs are benefitting routine immunisation systems including alternative delivery systems, multiple interventions, use of expanded partners, and better planning of campaigns.

Discussion

- The Board members agreed that the amount of funding being channelled through partners is concerning in light of Gavi's aim to build the capacity of government systems and support countries to transition out of Gavi support, as well as the impact on efficiencies.
- The Board confirmed that there is zero tolerance for misuse and that it is important to recognise donor's concerns in relation to fiduciary risk. The Board also emphasised, however, that it is critical to Gavi's mission that we build the capacity of the government systems and use these systems wherever possible. Therefore, the Board members acknowledged the difficult challenge in getting this balance right.
- In response to a question from a Board member, the Secretariat confirmed that when funds are channelled through partners a tripartite agreement between the

government, Gavi and the partner is signed. Therefore, the government remains involved in the arrangements and Gavi continues to work with the government to address system weaknesses and capacity issues.

- The Board members questioned whether we are working enough with the independent oversight and audit bodies in-country, and placing reliance on these institutions where possible.
- The Board members encouraged further collaboration with the World Bank to ensure that tools and experience in managing fiduciary and financial risk can be leveraged.
- The Secretariat noted that they currently have a 100% repayment rate on misused funds demonstrating a strong process for ensuring that misused funds are returned.
- The Board members requested the Secretariat to give further consideration to the implications shared in this presentation with regard to fiduciary risk, and to help the Board to understand the drivers of this decision in each country. The Board requested the Secretariat to bring this issue back for discussion in a year to assess the progress.

16. Review of decisions

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

17. Closing remarks and any other business

- 17.1 The Chair expressed her thanks and appreciation to the Board for a productive meeting.
- 17.2 After determining there was no further business, the meeting was brought to a close.

Dr Ngozi Okonjo-Iweala
Chair of the Board

Mr Philip Armstrong
Secretary to the Board

Attachment B

Participants

Board members

- Ngozi Okonjo-Iweala, Chair
- Gunilla Carlsson, Vice Chair
- Bahar Idriss Abugarda
- Umy Ally Mwalimu
- Amy Baker
- Reina Buijs
- Tim Evans
- Blair Exell
- Daniel Graymore
- Shanelle Hall
- Margaret (Peggy) Hamburg
- Felix Kabange (Alternate)
- Sergey Khachatryan (Alternate)
- Orin Levine
- Yifei Li
- Clarisse Loe Loumou
- Jan Paehler
- Sai Prasad
- Helen Rees
- William Roedy
- Richard Sezibera
- David Sidwell
- Susan Silbermann
- Oyewale Tomori
- Stephen Zinser
- Seth Berkley (non-voting)

Regrets

- Edna Yolani Batres
- Mahima Datla (Alternate)
- Raymonde Goudou Coffie
- David Hering (Alternate)
- Myint Htwe
- Yifei Li
- Yifru Berhan Mitke
- Kate O'Brien (Alternate)
- Jean-Marie Okwo-Bele (Alternate)
- Muhammad Ayub Sheikh (Alternate)

Alternates Observing

- Craig Burgess
- Ted Chaiban
- Anna Hamrell
- Irene Koek
- Rama Lakshminarayanan
- Jason Lane
- Yifru Berhan Mitke
- Violaine Mitchell
- Jean-Francois Pactet
- Angela Santoni
- Bounkong Syhavong

Alternate Board Members Elect

- Michael Kent Ranson
- Harriet Ludwig

Additional Attendees

EVALUATION ADVISORY COMMITTEE

Dr Rob Moodie, Professor of Public Health, University of Malawi and Chair, Evaluation Advisory Committee

IFFIm

Mr Rene Karsenti, Chair, IFFIm Board of Directors

Mr Cyrus Ardalan, Chairman, OakNorth Bank

Mr Marcus Fedder, Co-Founder and Managing Partner, Agora Microfinance Partners LLP

BILL AND MELINDA GATES FOUNDATION

Dr Julie Bernstein, Deputy Director, Program, Advocacy and Communications

Mr. Nima Abbaszadeh, Program Officer, PAC

WORLD BANK

Mr Somil Nagpal, Senior Health Specialist, Global Practice on Health, Nutrition and Population, Cambodia
Mr Jean-Christophe Carret Country Manager- Lao PDR, The World Bank
Dr Emiko Masaki, Senior Economist, The World Bank
Dr Sophavanh Thitsy, Operations Analyst, The World Bank

UNICEF

Dr Robin Nandy, Principal Advisor & Chief of Immunizations, New York
Ms Heather Deehan, Chief, Vaccine Centre, Copenhagen
Ms Etleva Kadilli, Director a.i., UNICEF Supply Division, Copenhagen, Denmark
Dr Suvi Rautio, Deputy Director, UNICEF Supply Division, Copenhagen, Denmark
Dr Myo-Zin Nyunt, Country Representative, UNICEF Vientiane
Dr Hendrikus Raajmakers, Chief Health and Nutrition, UNICEF Vientiane
Dr Titus Gideon Angi, Immunization Specialist, UNICEF Vientiane
Dr Samphan Khamsingsavath, Immunisation Officer, UNICEF Vientiane

WORLD HEALTH ORGANIZATION

Dr Princess Nothemba (Nono) Simelela, Assistant Director-General for Family, Women, Children and Adolescents
Ms Lidija Kamara, Programme Manager, Department of Immunization, Vaccines and Biologicals (IVB)
Dr Juliet Fleischl, Head of Country Office, Vientiane
Ms Lauren Franzel-Sassanpour, Technical Officer, Expanded Programme on Immunization, Vientiane
Ms Anna Maalsen, Technical Officer, Integrated Services Delivery, WHO Regional Office for the Western Pacific

DEVELOPING COUNTRY GOVERNMENTS

Cameroon

Mr Emmanuel Maina Djoulde, Head, Cooperation Division, Ministry of Health

Lao PDR

Dr Bounpheng Philavong, Director General, Department of Hygiene and Health Promotion
Dr Nao Boutta, Director of Cabinet, Cabinet Office, Ministry of Health
Dr Somphone Phangmanixay, Director General, Department of Finance
Dr Khamphet Manivong, Director General, Department of Planning and Cooperation
Dr Bounxou Keohavong, Deputy Director, Department of Food and Drugs
Dr Kaisone Boupha, Deputy Director, Department of Hygiene and Health Promotion
Dr Anonh Xeuatvongsa, Director of MCH and Manager NIP
Dr Panome Xayamoungkhoun, Chief of Planning Division, MCH
Dr Kongxay Phounphenghack, Deputy Manager of NIP

Sudan

Mr Mansour Mohammed Dra Khamis, Adviser to the Minister, Ministry of Health, Sudan

Tanzania

Mr Martin Elias, Assistant to Minister, Health, Community Development, Gender, Elderly and Children

DONOR GOVERNMENTS

Australia

Ms Lucy Phillips, Acting Director, Health and Education Funds, Australian Department of Foreign Affairs and Trade
Ms Sue Graves, Director, Health and Education Funds, Multilateral Development and Finance Division, Department of Foreign Affairs and Trade

Canada

Ms Emily Alexander, Senior Development Officer, Global Affairs Canada

European Commission

Mr Matthias Reinicke, Policy Officer, DG DEVCO, European Commission, Brussels

France

Mr Eric Fleutelot, Regional Counsellor in Global Health, MoFA, Embassy of France in the Kingdom of Thailand, Bangkok
Mr Benjamin Bechaz, Policy Advisor, Ministry of Foreign Affairs, Paris

Germany

Dr Wolfgang Bichmann, Global Health Advisor, KfW Development Bank/Advisor to BMZ Germany, Frankfurt
Dr Daniel Kohls, Global Health Policy Advisor, GIZ, Bonn, Germany

Ireland

Mr Fergal Horgan, Human Development Team, Policy Unit, Irish Aid, Limerick

Italy

Dr Pasqualino Procacci, Health Expert, Italian Agency for Cooperation to Development
Mr Diego Cimino, Secretary of Legation, Ministry of Foreign Affairs and International Cooperation, Rome
Ms Francesca Manno, Director, Ministry of Economy and Finance, Rome

Luxembourg

Ms Julie Wagner, Embassy of Luxembourg in Vientiane, Lao PDR

Netherlands

Ms Niké Buijze, Policy Officer, Ministry of Foreign Affairs, The Hague

Norway

Ms Marte Regine Boe Wensaas, Senior Advisor, NORAD
Ms Heidi Malene Nipe, Senior Adviser, Ministry of Foreign Affairs, Oslo

United Kingdom

Ms Dimpay Sanganeh, Deputy Programme Manager, DFID
Ms Alice Gilbert, Health Adviser, DFID

United States of America

Ms Susan McKinney, Senior Advisor for Vaccines and Immunization, USAID
Ms Elizabeth Noonan, Immunization Advisor, USAID
Ms Basilica Modi, Senior Health Program Management Specialist, USAID

VACCINE INDUSTRY – INDUSTRIALISED

Dr Joan Benson, Executive Director, Merck
Dr Lyn Morgan-Marsden, Head, Global Public Affairs for Endemic Vaccines, Institutions and Associations, Sanofi Pasteur, France
Dr Lindsey Dietschi, Senior Director, Corporate Affairs, Pfizer
Dr Laetitia Bigger, Associate Director, Vaccines Policy, IFPMA
Dr An X. Vermeersch, Vice President and Head, Global Health and Corporate Affairs, GSK Vaccines

VACCINE INDUSTRY – DEVELOPING

Ms Sonia Pagliusi, Executive Secretary, Developing Countries Vaccine Manufacturers Network International, Nyon, Switzerland
Dr Raches Ella, Manager, Medical Affairs, Bharat Biotech International Ltd., India

CIVIL SOCIETY ORGANISATIONS

Dr Lully Amos, Director, PNG Foundation for Women's Cancer, Port Moresby, Papua New Guinea
Ms Dorothy Esangbedo, Member and Immediate Past Chair, CSO Steering Committee, Lagos, Nigeria

RESEARCH AND TECHNICAL HEALTH INSTITUTES

Dr W. William Schluter, Director, Global Immunization Division, Centers for Disease Control and Prevention (CDC)

Special Advisers

Ms Nicole Mensa, Special Adviser to Gavi Board Chair
Ms Alexandra Silfverstolpe, Special Adviser to the Gavi Board Vice Chair
Dr Coline Mahende, Special Adviser to the Board member from Tanzania
Ms Fabienne Kombo N'Guessan, Special Adviser to Board member from Côte d'Ivoire
Dr Sara Mohammed Osman Elias, Special Adviser to Board member from Sudan
Dr Rolando Pinel, Special Adviser to Board member from Honduras
Mr Bruno Rivalan, Special Adviser to the CSO Board member
Dr Stephen Karengera, Special Adviser to the PPC Chair
Ms Carol Piot, Special Adviser to the Chair of the IFFIm Board

Other Observers

Mr Joshua Chu, Vice President, Global Vaccines, Clinton Health Access Initiative, USA

Mr Huong Vu, Technical Director, Mekong Program, PATH, Hanoi

Mr Garrett Young, Country Director, Clinton Health Access Initiative, Lao PDR

Dr Phengta Vongphrachanh, Field Officer, Sabin Vaccine Institute, Vientiane