

Gavi Alliance Board Meeting

30 July 2020

Virtual meeting

1. Chair's Report

- 1.1 Finding a quorum of members present, the meeting commenced at 14.14 Geneva time on 30 July 2020. Dr Ngozi Okonjo-Iweala, Board Chair, chaired the meeting.
- 1.2 The Chair welcomed the Board to this exceptional Board meeting, noting the importance of the Board coming to an agreement on the decisions being presented in relation to the COVAX (COVID-19 Vaccine Global Access) Facility structure and governance and the COVAX AMC (Advanced Market Commitment).
- 1.3 Standing declarations of interest were tabled to the Board (Doc 01a in the Board pack).
- 1.4 It was noted that Item 2 would be discussed after Item 4 as per the Revised Agenda shared with the Board in advance of the meeting.

3. Financial Forecast

- 3.1 David Sidwell, Audit and Finance Committee (AFC) Chair, presented this item, informing the Board that the AFC had looked at a revised financial forecast for 2020-2021 and reviewed the assumptions underpinning the forecast.
- 3.2 He noted the forecast reflects the outcome of the replenishment and implications from COVID-19 including decisions taken by the Board in 2020 to support countries through initiatives such as Health System Strengthening reprogramming, UNICEF pre-financing and the rescheduling of vaccine campaigns. He further noted the forecast will be updated as additional decisions are made by the Gavi Board in relation to the COVAX Facility, COVAX AMC and any new Gavi 5.0 strategic investments as presently the forecast does not reflect any amounts related to these with exception of COVAX AMC and COVAX Facility administrative costs which are being presented to the Gavi Board for consideration at this meeting.
- 3.3 Mr Sidwell reported that the full impact of delayed vaccine introductions and campaigns remains uncertain but it is anticipated that additional expenditures will be required to maintain and restore routine immunisation programmes.
- 3.4 Referring to an estimate of resources and expenditures, Mr Sidwell reported the available amount for strategic investments is US\$ 368 million for 2016-2020 and

US\$ 1.59 billion for 2021-2025 which includes a carry forward of available resources from 2020 subject to donor agreement.

- 3.5 Mr Sidwell noted the Gavi Board has significant capacity to make strategic investments and the forecast will be updated as the Board makes decisions over the next few months related to any new priorities. He further noted that any resources and expenditures associated with COVAX will be clearly tracked and accounted for separately from Gavi's core resources.

Discussion

- A number of Board members enquired if the forecast reflects sufficient resources for Gavi 5.0 and any support for Gavi Alliance partners that are experiencing increased costs implementing immunisation campaigns impacted by COVID-19. Mr Sidwell noted the forecast takes into consideration resources for partners and the Secretariat further noted discussions are ongoing with Alliance partners on the impact of COVID-19 and any additional resource needs beyond Gavi's current level of support.
- One Board member underscored the importance of clearly separating the accounting of resources and expenditures related to Gavi's core programmes and any COVAX Facility investments.
- In response to a question from several Board members, Mr Sidwell confirmed that the AFC will work closely with the Programme and Policy Committee to ensure that financial implications of any programmatic decisions are aligned. The Secretariat noted that it will assess the appropriate sequencing of all Gavi governing body meetings and engagements as strategic decisions and investments are considered by the Gavi Board.
- Board members expressed concerns around appropriate staffing for Gavi 5.0 and strain on staff of the COVAX effort it was noted that Secretariat bandwidth is a high priority for management and is being looked at as part of the organisational review facilitated by McKinsey & Company. The Secretariat confirmed that the findings from the review along with resourcing implications will be shared with the Gavi Board in December 2020.

Decision 1

The Gavi Alliance Board:

Noted that the Audit and Finance Committee has reviewed the financial implications of the recommendation as set out in Figure 1 of Doc 03b (Financial Update) to the 23 July 2020 meeting of the Audit and Finance Committee and concluded that the recommendation could be approved by the Gavi Alliance Board in accordance with the Programme Funding Policy.

4. Gavi's role in COVAX Facility and COVAX AMC

- 4.1 Seth Berkley, CEO, updated the Board on the current pace of the COVID-19 pandemic noting there are more than 14 million known cases worldwide. He spoke about the urgency of scientific efforts to find a vaccine, reporting that more than 200 vaccines are currently under development with 25 in clinical trial stage. He cautioned that the unprecedented demand for a vaccine will likely outweigh global supply for at least 12-18 months.
- 4.2 Dr Berkley highlighted Gavi's role within the Access to COVID-19 Tools (ACT) Accelerator initiative to achieve equitable access to COVID-19 therapeutics, diagnostics and vaccines. He shared how Gavi has been developing a global mechanism to pool resources and demand for COVID-19 vaccines through the COVAX Facility.
- 4.3 He outlined the design of the Gavi **COVAX AMC** (Doc 04a) which would draw upon the lessons of the pneumococcal AMC as a financing mechanism to allow Official Development Assistance (ODA) eligible economies to access COVID-19 vaccines.
- 4.4 Dr Berkley highlighted that nearly US\$ 600 million had been raised to date for the Gavi COVAX AMC and that a dedicated AMC Stakeholders Group would be formed to assess the AMC's progress and prospects and consider investments, cost estimates and plans to introduce vaccines.
- 4.5 He presented the Secretariat's recommendation for COVAX AMC eligibility, noting that Gavi would mobilise funding in relation to vaccine procurement and cold chain support for Gavi COVAX AMC eligible economies.
- 4.7 Dr Berkley presented information in relation to the proposed structure and governance of the **COVAX Facility** (Doc 04b), noting the importance of this facility in optimising health outcomes by making vaccines available to all economies, through allowing upper-middle income and high-income economies to come together to self-finance vaccine procurement, joining the AMC-supported economies. He added that the Facility would provide a larger portfolio of vaccine candidates and a critical mass of financing to manufacture vaccines at scale.
- 4.8 Dr Berkley presented an overview of the benefits of Gavi administering the COVAX Facility and outlined the risks of alternative options. He also provided an overview of the potential risks associated with administering the facility and how the Secretariat plans to actively manage them.
- 4.10 He presented information in relation to the proposed role and composition of the Shareholders Council, which was required as many self-financing countries were not involved otherwise with Gavi and therefore would provide a forum for the Facility participants to be engaged, including representation on the Market-Sensitive Decisions Committee (MSDC) for review of COVAX related agreements.
- 4.11 He further noted that per the principles of the ACT-Accelerator to use existing mechanisms where possible, the Facility governance will leverage Gavi's existing mechanisms where possible (such as the MSDC, AFC) and other existing bodies such as WHO's Strategic Advisory Group of Experts (SAGE) on Immunization and

CEPIs R&D and Manufacturing Investment Committee (RDMIC). It is proposed that some new bodies be established such as the Shareholders Council, a dose allocation body, an Independent Product Group and the AMC Stakeholders Group.

- 4.12 Dr Berkley noted that there would be dedicated team within the Gavi Secretariat to resource the COVAX Facility, with additional dedicated and monitored incremental resources from Secretariat teams to support the Facility, with a need for surge capacity for the next six months. Dr Berkley referred to initial start-up financial implications amounting to nearly US\$ 8.4 million, of which an estimated US\$ 7 million is needed for the next 12 months. This will be funded through the participation fees for self-financing participants and COVAX AMC funding.
- 4.13 Finally, Dr Berkley gave an overview of the timeline on how the Secretariat will be engaging with the Board with further details on the COVAX Facility and vaccine programme up to June 2021.

Discussion

- Board members expressed support for establishing the Gavi COVAX AMC and asked for clarification in relation to COVAX AMC eligibility criteria, funding, costs, governance, and scope.
- In relation to COVAX AMC eligibility, several Board members expressed concern that using either 2018 or 2019 World Bank GNI data would exclude a few fragile economies and would not necessarily reflect current circumstances amid the pandemic. The Secretariat explained that using 2018 data would be consistent with the Board's decision earlier in 2020 to freeze Gavi-funded eligibility levels at 2018 levels. The Board considered suggestions to expand eligibility criteria and ensure the decision-making process is transparent and inclusive, agreeing to consider both 2018 and 2019 World Bank GNI data with a note to revisit the 2020 GNI data once released next year. The Board underlined that this definition of eligibility is exceptional to the Gavi COVAX AMC and is not applicable to Gavi's eligibility for core financing.
- In response to an enquiry on reaching vulnerable populations outside of AMC-eligible countries such as refugees, the Secretariat noted the design of the COVAX AMC will accommodate an allocation of vaccine doses for an emergency response, if needed.
- In relation to COVAX AMC funding, the Board requested clarity on anticipated funding sources to cover operational costs and cold chain equipment supplies. Several Board members highlighted the health and economic impact of the pandemic on implementing countries, especially those with weak health systems and limited resources, and encouraged the Secretariat to develop an effective, flexible co-financing policy for implementing economies and to work with Alliance partners to help those economies buy vaccine doses and scale up vaccine manufacturing and delivery.
- It was also suggested that the Secretariat consider how to provide initial surge capacity across the Alliance and also how to eventually de-escalate activities when the acute phase of the pandemic ends. The Board further noted the need to focus

on market management once a vaccine candidate has been successfully identified.

- In relation to costs, the Secretariat confirmed there would be clear, separate accounting for resources and expenditures related to the COVAX AMC and COVAX Facility. It was noted the Secretariat has a similar practice related to the International Finance Facility for Immunisation (IFFIm).
- It was noted that Gavi would leverage current governance bodies as well as develop new decision-making bodies to provide inclusive, transparent leadership of the COVAX Facility and COVAX AMC. Board members encouraged the Secretariat to develop clearly defined roles, processes, and responsibilities between the COVAX AMC Stakeholders Group, the COVAX Shareholders Council and the Gavi Board. It was further noted that while Gavi would have exclusive oversight of the COVAX AMC, other areas of decision-making authority were unclear to the Board.
- The Board fully supported and commended the Secretariat's efforts to establish the COVAX Facility to ensure rapid, fair, and equitable global access to a safe and efficacious COVID-19 Vaccine and fully supported Gavi in its endeavours to make the Facility operational and serve its countries, which aligns with the United Nations Sustainable Development Goals (SDGs) and the principle of leaving no one behind.
- The Secretariat agreed to discuss specific governance structures including the composition and Terms of Reference (ToR) for each aforementioned entity with the Gavi Board at its 29 September 2020 meeting. The upcoming meeting should also address the sequencing of discussions between the COVAX AMC Stakeholders Group, the COVAX Facility Shareholders Council and the Gavi Board.
- The Board highlighted the need to ensure that there is a solid mechanism in place to address conflicts of interest, as well as any potential conflicts that may arise between the Self-Financing and AMC countries, particularly in relation to vaccine allocation.
- A number of Board members noted that Civil Society Organisations (CSOs) should be included in the AMC Stakeholders Group and COVAX Shareholders Council. The Board Chair made a personal commitment that CSOs, and the communities they support, would participate in the governance of the COVAX pillar and noted that Gavi management will engage with civil society representatives prior to the September 2020 Board meeting on detailed terms of engagement.
- Board members also noted the importance of ensuring that implementing countries are appropriately engaged in the COVAX Facility and COVAX AMC. It was also suggested that it could be useful to engage with countries that might not yet have expressed an interest in engaging with the Facility.
- Board members underlined that fair distribution of vaccines to all countries, based on vulnerable populations and burden was critical. In relation to the decision-

making processes in selecting the vulnerable groups at the national level for vaccine roll-out, the Secretariat noted that countries will be deciding on their priority groups, guided by the World Health Organisation (WHO) recommendations.

- In relation to vaccine procurement and pricing, the Secretariat clarified that at this stage the price of the vaccines are yet to be determined, noting that some manufacturers are proposing tiered pricing. Gavi will strive to obtain the best price from manufacturers.
- One Board member highlighted the importance of creating links through the Facility to the suitability and quality of vaccines, and considering country readiness, in addition to strengthening surveillance and impact.
- The Secretariat noted the Board's request to ensure stronger coordination with partners to avoid duplication of efforts.
- In relation to potential offers from vaccine manufacturers from Russia and China, the Secretariat noted that the Facility is set up to enable inclusion of vaccines from any developer to ensure a broad portfolio but of course they would need to meet global quality standards. The Independent Product Group will then assess the merit for such investments by the Facility.
- In relation to leveraging financial innovation to fund the Facility, the Secretariat referred to ongoing discussions with multilateral development banks to explore options for countries that are facing financial challenges to self-finance.
- Finally, Board members commended the open communication with the Gavi leadership and recognised that speed and agility are necessary during these challenging and unprecedented times.

Decision 2

The Gavi Alliance Board:

- a) **Approved** the establishment of the Gavi COVAX AMC as a financing mechanism for the procurement of COVID-19 vaccines for eligible economies as set out in Doc 04b as read with b) below;
- b) **Approved** the recommended eligibility for the Gavi COVAX AMC as comprising all low income and lower middle-income economies, plus the other World Bank IDA-eligible economies, i.e. economies with a GNI per capita under ~US\$ 4,000, plus other IDA-eligible economies. Having regard to the 2018 World Bank GNI data and with the addition of new economies as per 2019 WB GNI data, this comprises 92 economies, and should be read with c) below; and
- c) **Noted** that this decision is exceptional and does not amend previous decisions on Gavi's eligibility for core financing and relates only to the Gavi COVAX AMC, and a decision on COVAX AMC co financing will be made by the Board in September 2020.

Decision 3

Building on the approvals and guidance provided by the Board at its meetings of 11 May and 24 and 25 June 2020, the Gavi Alliance Board:

- a) **Recognised** that the global fight against the COVID-19 pandemic and the nature of the disease call for the creation of a global mechanism to ensure rapid, fair and equitable global access to a safe and efficacious COVID-19 vaccine to as broad a population as possible.
- b) **Noted** that, given the supply constraint environment and ongoing bilateral initiatives to secure availability of vaccine candidates, the timing for such a mechanism to become effective is of the essence.
- c) **Acknowledged** that, across several options presented to the Board, Gavi being entrusted with the task to administer the COVAX Facility is the fastest way to have an established and credible legal entity working towards the objective of ensuring global and equitable access of COVID-19 vaccines and that the benefits of Gavi administering the COVAX Facility outweigh the risks.
- d) **Noted** that administering the COVAX Facility is aligned with Gavi's mission given the expected benefits it will yield for low income economies.
- e) **Approved** Gavi as the legal entity to administer the COVAX Facility with immediate effect; provided that:
 - i. Gavi's role will be reassessed by the Board on the earlier of: (a) the Board meeting taking place between June and September of 2023, and (b) the first Board meeting taking place after the Participants have been allocated enough Doses to vaccinate at least 20% of their population pursuant to the WHO's Allocation Mechanism; and
 - ii. The Secretariat will, at all times, ensure that:
 - (i) Facility funds will be segregated from Gavi's core financing, and funding provided by the Self-financing Participants will be segregated from the funds received from the AMC donors under the COVAX AMC;
 - (ii) Expenses associated with the administration of the Facility will be paid for with administrative fees provided by Self-Financing Participants and AMC funding in accordance with an appropriate allocation methodology;
 - (iii) Gavi would not enter into agreements with manufacturers which result in Self-Financing Participants being distributed doses without having provided a legally binding financial commitment to procure such doses, with appropriate financial backing for such commitment; and
 - (iv) Additional staff would be hired to ensure capacity and bandwidth for the set-up and, ultimately, implementation of the Facility.
- f) **Requested** the Secretariat to present to the Board in September: (i) a risk assessment and risk mitigation plan for the COVAX Facility; and (ii) detailed ToRs for the new governance and advisory bodies, and in December 2020 (iii) a reporting framework.

- g) **Requested** the Secretariat to convene a Board meeting by no later than July 2021 to assess Gavi's continued role in the administration of the Facility.
- h) **Noted** the establishment of a COVAX Shareholders Council to provide strategic guidance on the administration of the COVAX Facility, which body shall be self-organising and will operate in accordance with its operating procedures.
- i) **Approved** the amendments to the Market-Sensitive Decisions Committee (MSDC) Charter as set out in Annex C to Doc 04b to allow for review and approval of COVAX transactions with manufacturers to include members of the COVAX oversight body, recognizing that the MSDC is authorized to review the business terms of COVAX Facility transactions until such time as the COVAX oversight body is in a position to nominate members to the MSDC notwithstanding the provisions set out in the revised MSDC Charter.

Decision 4

The Gavi Alliance Board:

Approved the pre-financing of the COVAX Facility initial costs through Gavi funds to enable operationalization of the COVAX Facility, which includes the COVAX AMC mechanism. The estimated amount is US\$ 8.4 million, of which US\$ 1.4 million has already been incurred and an incremental US\$ 7 million is forecasted for the next 12 months. These costs will ultimately be funded through the COVAX Facility participation fees for Self-financed Participants and through Gavi funding mobilized for procurement and delivery of COVID-19 vaccines for Gavi-supported Participants.

2. Gavi 5.0 Measurement Framework/Strategy Indicators

2.1 Dan Hogan, Head, Corporate Performance Monitoring, provided some introductory remarks on this item (Doc 02), the purpose of which was to update the Board on development of the Gavi 5.0 measurement framework, and to request feedback on the indicators, as well as the Board agreement on the revised timelines for the framework finalisation in light of COVID-19 disruptions.

Discussion

- Board members commended the Secretariat team for their excellent work on the Gavi 5.0 Measurement Framework.
- Board members agreed with the proposed indicators and the revised timeline for the framework.
- In relation to the Board's remarks on the need for data on equity at the sub-national level, the Secretariat confirmed that it is focusing its efforts on obtaining better data and will continue to do so.

- One Board member commended the framework’s alignment with the Immunization Agenda IA 2030, and informed the Secretariat that feedback would be sent in writing relating to the timely response to outbreaks.
- One Board member noted that sustainability should be reflected further in the proposed set of mission indicators, given its significance in the COVID-19 context and in monitoring the progress of the Alliance in restoring and maintaining immunisation programmes.
- In relation to reassessing the Gavi 5.0 strategy in light of the COVID-19 pandemic, the Secretariat was encouraged to invest in learnings. A suggestion was made for the Evaluation and Advisory Committee (EAC) to identify some options for evaluation to inform the Board’s understanding on Gavi’s impact in countries’ response to the pandemic.
- One Board member highlighted the importance of dedicating resources to maintaining and restoring Routine Immunisation (RI) and Primary Health Care (PHC) in the context of the COVID-19 pandemic. As Gavi will be collaborating with the Global Fund (GF) and the Global Financing Facility (GFF) to develop an indicator to measure the impact of COVID-19 response efforts, the Secretariat was encouraged to share the future findings on the impact of Gavi’s response and flexibility measures on the sustainability of immunisation programmes.

5. Review of decisions

- 5.1 Brenda Killen, Director of Governance and Secretary to the Board, reviewed and agreed the decisions with the Board.

6. Closing remarks and review of Board workplan

- 6.1 The Chair expressed her thanks and appreciation to the Board for a productive meeting.
- 6.2 The Board Chair and the CEO bid farewell to a number of outgoing Board members and thanked them for their valuable contributions to the Gavi Board, namely to: Dr Amir Aman Hagos (Ethiopia), Professor Mahamoud Youssouf Khayal (Chad), Daniel Graymore (United Kingdom), Susan Silberman (IFPMA) and Tamaki Tsukada (Japan).
- 6.3 Board members were informed that Gavi governance meetings continue to be held virtually until at least end of November 2020.
- 6.4 After determining there was no further business, the meeting was brought to a close.

Dr Ngozi Okonjo-Iweala
Chair of the Board

Ms Brenda Killen
Secretary to the Board

Attachment A

Participants

Board members

- Ngozi Okonjo-Iweala, Chair
- Sarah Goulding, Vice Chair
- Afsaneh Beschloss
- Mahima Datla
- Maty Dia
- Margaret (Peggy) Hamburg
- Orin Levine
- Ferozuddin Feroz
- Daniel Graymore
- Amir Aman Hagos
- Myint Htwe
- Zsuzsanna Jakab
- Etleva Kadilli (Alternate)
- Noor Khan (Alternate)
- Francesca Manno
- Jan Paehler
- Marta Nunes
- Muhammad Pate
- Helen Rees
- William (Bill) Roedy
- David Sidwell
- Susan Silbermann
- Arsen Torosyan
- Yibing Wu
- Stephen Zinser
- Seth Berkley (non-voting)

Regrets

- Omar Abdi
- Mahamoud Youssouf Khayal
- Harriet Pedersen
- Jacqueline Lydia Mikolo
- Teresa Ressel
- Joan Valadou

Alternates Observing

- Kwaku Agyeman-Manu
- Edna Yolani Batres
- Megan Cain
- Susan Elden
- Assad Hafeez
- Violaine Mitchell
- Kate O'Brien
- Michael Kent Ranson
- William Schluter
- Bounkong Syhavong
- Carmen Coles Tull
- Tamaki Tsukada
- An Vermeersch
- Rafael Vilasanjuan