SUBJECT:	**GAVI-GLOBAL FUND COLLABORATION**
Agenda item:	04
Category:	For Information

Section A: Introduction

- Over recent years, Gavi and the Global Fund have increasingly collaborated where this can increase their impact and efficiency. The move to the Global Health Campus will facilitate further collaboration and enable greater sharing of infrastructure and services between the Secretariats of the organisations. The Gavi CEO and former Global Fund Executive Director jointly presented their collaboration approach to both Boards in mid-2016. This joint paper describes how the Secretariats have continued to work together to enhance collaboration and provides an update on major areas of joint work. The Gavi CEO and current Global Fund Executive Director jointly discussed their collaboration at the recent Global Fund Board meeting and will do so at this Gavi Board meeting as well.

Section B: Facts and Data

1. Background on Gavi and the Global Fund

1.1 Gavi and the Global Fund are the two largest multilateral funding agencies in global health and collectively provide over US$ 5 billion per year to scale-up access to health services, fight infectious disease and save lives.

1.2 Gavi's mission is to protect populations against infectious disease by scaling up immunisation programmes to reach all children in lower-income countries. The Global Fund works to end the epidemics of HIV, tuberculosis and malaria by scaling up access to diagnosis, treatment and prevention services in a range of age and population groups. Both organisations are committed to building resilient and sustainable systems for health and strengthening overall health systems, providing more health products and services to more people, and ensuring access to improved resources.

1.3 Both achieve their mission through providing grants, which are concentrated in many of the same countries (e.g. DR Congo, Ethiopia, India, Kenya, Nigeria, Tanzania, Uganda), while the donor base of Gavi and the Global Fund is also similar.

1.4 Although both organisations are focused on controlling disease and saving lives, the two have somewhat different models to achieve their missions. Gavi's grants are largely implemented by national immunisation

programmes whereas Global Fund grants are implemented by a range of principal recipients and sub-recipients across government and civil society. Gavi determines eligibility based on countries' income level while the Global Fund determines eligibility based on income level and diseases burden, amongst other factors. Currently, 56 countries remain eligible for Gavi support (of which nine are in the process of transition) and 109 countries are currently eligible for Global Fund support. While the Global Fund has a broader geographical scope, there is significant overlap between the countries supported by both organisations, especially in Africa. Approximately 80% of Gavi's support is provided as commodities, which are procured centrally by UNICEF, whereas the majority of the Global Fund support is in the form of cash grants.

1.5 The two organisations work with a range of partners, some of which are common. Gavi's core partners are WHO (Immunisation, Vaccines & Biologics department), UNICEF, CDC, the World Bank and civil society whereas the Global Fund work most closely with WHO (HIV, TB and malaria programmes), UNAIDS, Unitaid, UNDP, Stop TB, Roll Back Malaria and civil society organisations (CSOs). Gavi's core partners are members of the Alliance with voting seats on the Board and are directly funded by Gavi for their Alliance activities. The Global Fund's technical partners have non-voting status on the Board and the Global Fund primarily finances technical support through its country grants.

2. Approach to collaboration

2.1 Gavi and the Global Fund both recognise the value of collaboration. Working together in the right areas allows both organisations to increase their effectiveness and impact in delivering their respective missions and can also potentially increase the efficiency of their respective operations. Both organisations also work with a range of other partners. Each is judicious in choosing which partners to collaborate with across their respective value chains by weighing comparative advantage and the potential to add value with the potential costs and risks. The leadership of Gavi and the Global Fund have worked together over recent years to map and prioritise potential areas of collaboration which could include:

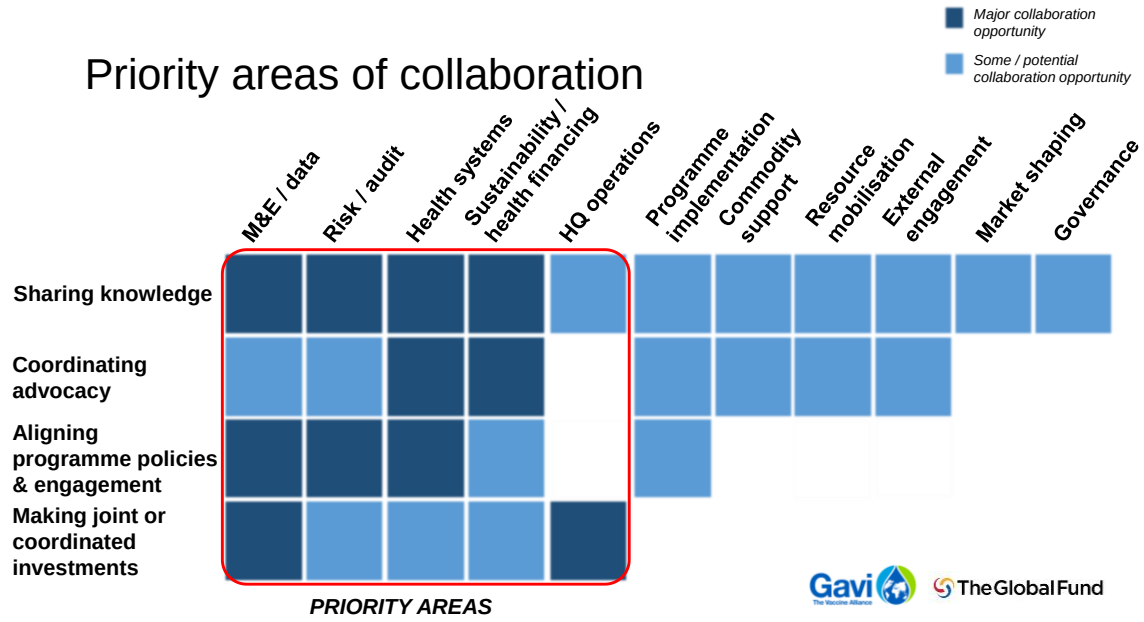
a) Sharing knowledge, information and lessons learned

b) Coordinating political advocacy at global and country level

c) Aligning programmatic policies and engagement

d) Making joint or coordinated investments

2.2 The two organisations aligned on five areas – four programmatic and one operational – as having the highest potential for collaboration, as illustrated below.



2.3 The following sections describe how the organisations collaborate across these areas to increase the impact of their respective programmes and the efficiency of operations, and some examples of where collaboration has not added value. As the process of relocation to the new Global Health Campus is ongoing, the magnitude of opportunities for operational efficiencies between both organisations will require careful consideration, assessment, prioritisation and implementation.

3. Overview of Gavi-Global Fund collaboration

Programmatic collaboration

a) Sharing knowledge, information and lessons learned:

3.1 Teams across Gavi and the Global Fund regularly share information and expertise. At country level, Gavi's Senior Country Managers and the Global Fund's Fund Portfolio Managers now routinely share information including political intelligence, external and domestic health financing, fiduciary risk and cost benchmarking. At headquarters, there is continued exchange of information and best practice. For example:

a) The Global Fund was a member of the Steering Committee for Gavi's Health System & Immunisation Strengthening policy review and collaborated closely on Gavi's review of its fragility policy. It also provided inputs on the development of Gavi's Country Engagement Framework based on experiences with its New Funding model.

b) The two share best practice and knowledge on market shaping. Gavi attends the Global Fund's annual Market Dynamics meeting while the Global Fund's Head of Direct Procurement attends Gavi's Vaccines Market Dynamics Convening meeting. The Global Fund was a member of the Steering Committee for Gavi's Supply and Procurement strategy and a Global Fund expert chairs Gavi's Japanese Encephalitis Procurement Reference Group to advise on procurement strategy.

Case example 1: Collaborating to manage fiduciary risk

Gavi and the Global Fund regularly share knowledge and approaches in order to achieve efficiencies in financial management and better manage fiduciary risk. Such collaboration includes:

- Sharing intelligence about risks and financing mechanisms (e.g. funds flow mechanisms to sub-national levels)
- Sharing assessments of implementer capacity to manage grants (Gavi has also sought to use the Global Fund's local fund agents (LFAs) to conduct and inform its Program Capacity Assessments where this makes sense)
- Sharing information on value-for-money (e.g. comparison of unit costs of grant inputs including unit costs of staff supported by respective grants)
- Jointly advocating for better risk management

Where opportunities exist, Gavi and the Global Fund also share oversight mechanisms in higher risk countries. For example, the two share fiduciary agents in DR Congo and Madagascar, while in Kenya and Ghana the Global Fund's LFA serves as a monitoring agent for Gavi. In Sierra Leone, Gavi, the Global Fund and the World Bank agreed with the Ministry of Health to have the same financial management unit, IHPAU, manage the health systems investments of all three organisations. The Global Fund and Gavi agreed to jointly fund a fiscal agent in IHPAU to ensure transparency, accountability and integrity in the use of grant funds and to build the capacity of IHPAU. Gavi and the Global Fund share the costs of IHPAU including a shared assurance mechanism, a common audit and an agreed programme of expenditures verification. The three agencies also conduct joint monitoring missions to reduce the burden of multiple missions.

3.2 There is close coordination between the resource mobilisation teams of both organisations. Teams from both sides provided advice to each other and helped brainstorm as each organsdation prepared for their most recent replenishments (e.g. the Global Fund's Director of External Relations briefed Gavi leadership on lessons learned as Gavi prepared for its 2015 replenishment). Similarly, the Global Fund's Audit and Finance Committee requested Gavi insight on how to manage exchange rate challenges as part of the replenishment and Gavi leadership was interviewed by the Office of the Inspector General (OIG) as part of a review of the Global Fund's replenishment. Donor managers also share intelligence about existing and new markets (e.g. at the request of the Global Fund, Gavi provided advice

and contacts that helped the Fund secure new support in the Middle East). Gavi and the Global Fund also share lessons learned in their respective efforts to engage the private sector (e.g. they conducted a joint workshop to review their respective due diligence processes) and in some areas, the two organisations jointly advocate for greater private sector engagement.

3.3 Both governance teams work closely together to share information and experience in order to strengthen their respective governance processes. This covers a wide range of areas including:

a) Approach and experience in appointing Board Chair, Board members and CEO

b) Board and Committee composition, and matrices to evaluate appropriate competencies

c) Approach to supporting developing country constituencies, including potential for Gavi to share the mechanism used by GF for its African constituencies

d) Efforts to strengthen the drafting and sharing of Board and Committee papers (including experiences with online IT platforms),

e) Co-operation with the Global Fund Ethics Officer around Gavi's revision of its Conflicts Policy and prospective evaluation of current Ethics Policy and approach taken by Global Fund

f) Coordination of governance calendars, which will be even more important once co-located in the Global Health Campus

g) Approach to Board and Committee self-evaluation

h) Exploring potential collaboration between Gavi, the Global Fund and the Global Partnership for Education, especially around policy related to the boards and their committees

3.4 The Gavi Audit & Investigations Department and the Global Fund OIG have agreed a Memorandum of Understanding to enable information to be shared confidentially between the two. The teams have also agreed principles on sharing information, coordinating audit plans and, potentially, aligning audit or investigatory work (which is feasible where there is operational overlap between Gavi and Global Fund programmrs as discussed in Case example 2 below).

Case example 2: Opportunities and limitations to collaboration in audit

In 2016, the audit functions of Gavi and the Global Fund identified 25 priority countries in which to explore collaboration based on commonality of financial management, supply chain, and in-country assurance. In 2017, Gavi's audit team and the Global Fund OIG collaborated on an audit of programmes in Zambia to evaluate whether there is scope to enhance efficiency and effectiveness of audit. The audit teams undertook their audits in the same three week period, staying at the same hotel, and holding workshops together to share findings.

The teams obtained a number of benefits from working together in terms of sharing intelligence and communicating certain common themes identified to the Ministry of Health (MoH). However, they found that there was insufficient operational overlap between the operating models of Gavi and the Global Fund to enable a joint audit to add value because:

- The principal recipients of support: the Global Fund's primary recipients are UNDP, the Church Health Association of Zambia (CHAZ) and a Project Management Unit (PMU) in the Ministry of Health. Gavi support is channeled to other parts of the Ministry of Health.
- Commodity management and distribution is undertaken through different channels: Global Fund-financed pharmaceutical products are delivered directly to the central stores, Medical Stores Limited, and the CHAZ warehouse, each with different distribution channels throughout the country; vaccines are stored at the National Vaccine Stores under the supervision of the EPI team and at sub-national levels, immunisation programmes are overseen by the provincial and district health officers.
- Financial management is undertaken by the PMU reporting to the Permanent Secretary in the MoH for the Global Fund grants and a donors unit reporting to the Chief Accountant for Gavi.

Based on this, and experience in other countries, both teams concluded that the limited operational overlap between Gavi and the Global Fund – with different systems, structures and personnel typically executing the programmes – means there are few synergies in common audit execution (there may be more synergy in collaborating with other partners and Gavi is exploring potential shared audit work with WHO and UNICEF, for example). Going forward, the two teams will continue to discuss and align their plans and systematically evaluate where there might be opportunities for collaboration in countries.

b) Coordinating political advocacy at global and country level

3.5 Gavi and the Global Fund have similar policy priorities. Both seek to shape the global political discourse to ensure that health remains high on the policy agenda and to optimise the global development and health architecture in support of the SDGs, also beyond health. To this end, the two organisations coordinate their global advocacy efforts – such as working to ensure that

G7 and G20 summits explicitly recognise the importance of global health. Equally, both coordinate contributions to global health initiatives such as the Global Financing Facility (GFF – where both are represented on the GFF Investors Group and coordinate technical and policy positions in advance of meetings), the Partnership for Maternal, Neonatal and Child Health (where currently Gavi represents the Global Fund on the board) and UHC2030 (where representation rotates between the two). The two organisations have hosted joint events (such as at the recent Tokyo Universal Health Coverage Conference) and work together, along with CSO advocates, to ensure health remains high on donor agendas.

3.6 In implementing countries, Gavi and the Global Fund work together to advocate for greater domestic investment in health and strengthening of primary healthcare systems. For example, the two organisations are increasingly coordinating missions to countries where helpful to enable more effective engagement (e.g. in Afghanistan, Central African Republic, DR Congo, Eritrea, Guinea-Bissau, Niger). This includes engagement at senior level where required (e.g. joint visits of Gavi's CEO and the Global Fund's Executive Director to Nigeria and Ethiopia; high-level mission to Malawi including both organisations and the Global Partnership for Education to explore opportunities for more systematic engagement between the health and education sectors).

c) Aligning programmatic policies and engagement

3.7 Gavi and the Global Fund seek, wherever appropriate, to align their programmatic policies and approaches. This reduces transaction costs for countries, ensures Gavi and Global Fund efforts are mutually reinforcing and helps to ensure that both are using best practice approaches. The two organisations collaborated closely to develop their respective policies and operational guidelines on topics including fragility, financing human resources capacity and incentives in implementing countries and the creation of country teams. There has also been work in a number of countries to harmonise monitoring indicators and to align cost frameworks to reduce the reporting burden for implementers. The Global Fund is also seeking to learn from and build on Gavi's Partners' Engagement Framework to manage Global Fund-funded technical assistance.

3.8 The two organisations have also worked to align their approaches in priority programmatic areas. In the area of supply chain, for example, both organisations are part of the Inter-Agency Supply Chain Group and have worked to inform and, where appropriate align, their respective strategies. The two are similarly collaborating in the area of sustainability including in areas such as transition, expenditure tracking, and health financing in general. Both organisations participate in the new WHO consortium on resource tracking and are supporting WHO (financially and technically) to develop National Health Accounts that produce comparable disease specific information. Both have also recently agreed with the World Bank and GFF to scale-up joint work on health financing and transition. This

includes working to increase domestic financing for health in a range of countries (Afghanistan, Burkina Faso, DRC, Haiti, Madagascar, Malawi).

d) Making joint or coordinated investments

3.9 Over recent years, Gavi and the Global Fund have increasingly coordinated their country-level engagement and investments. This is particularly relevant where countries choose to use the support of both organisations to tackle similar bottlenecks (e.g. to strengthen supply chains) or where both face similar challenges (e.g. low fiduciary management capacity in the same implementing entity). The two organisations have aligned health systems investments in countries including Burkina Faso, DR Congo, Ethiopia, Gambia, Guinea, Lesotho, Liberia, Malawi, Papua New Guinea, Sierra Leone and Tanzania. This includes joint efforts to strengthen supply chains (e.g. in DR Congo, Guinea-Bissau, Papua New Guinea) and data systems including roll-out of DHIS2, the leading health management information system (e.g. Cameroon, Chad, DR Congo, Mali, Malawi, South Sudan). For example, in Mali, Gavi and the Global Fund coordinated and co-financed a Service Availability and Readiness Assessment and the two organisations have aligned their support to roll-out DHIS2.

Case example 3: Joint support for health post construction in Lesotho

Lesotho's National Health Strategy seeks to increase the number of health posts in the country in order to increase access to services, particularly in hard to reach areas. The country had separately sought Gavi and the Global Fund health systems strengthening (HSS) funding for this purpose. Gavi and the Global Fund worked with the Ministry of Health to develop a coordinated approach with a Joint Roadmap for the construction and delivery of the health posts. The two organisations worked together to agree with the government on the locations of the health posts, their design (in consultation with WHO), cost sharing arrangements for their construction, the health service package to be provided and also on the cadre of health care workers to staff the health posts.

The two agencies also developed a joint agreement with the Government on reporting and on the use of the Global Fund LFA to monitor and supervise construction. This approach enabled Gavi and the Global Fund to maximise their respective impact in helping to address a key barrier to access to services in hard to reach communities, while also reducing transaction costs of the country.

3.10 Both Gavi and the Global Fund make substantial investments in evaluations and the two are increasingly working together to identify synergies. Gavi participated in the last Global Fund Technical Evaluation Reference Group (TERG) and the TERG Chair and the Global Fund Secretariat attended Gavi's last Evaluation Advisory Committee to discuss potential areas of collaboration including conducting joint evaluations, using the same evaluators and jointly disseminating evaluation reports. The Global Fund is launching Prospective Country Evaluations, which build on aspects of

Gavi's Full Country Evaluations, and the two organisations are actively exploring potential synergies and avoiding duplication (e.g. by using the same evaluation partners in Uganda and Mozambique).

Case example 4: Health System Funding Platform

In 2010, Gavi, the Global Fund and the World Bank, with support from WHO, began to explore creating a Health Systems Funding Platform (HSFP). The objective was to align the HSS funding of all three organisations against a single country-owned plan, budget and monitoring framework. Countries would be able to submit a single, integrated application for health systems support from Gavi and the Global Fund, which would be designed to align with HSS support being provided through separate channels by the World Bank.

Teams from Gavi and the Global Fund worked extensively together over the following 18 months to align their HSS processes, policies and guidelines. The teams prioritised a number of countries with potential to benefit from the HSFP – either in developing a new HSS application or to align existing HSS grants. A number of these countries subsequently submitted HSFP applications.

Ultimately, however, the HSFP was not successful. This was primarily because both organisations' approach to HSS support evolved differently while the HSFP was being developed. Gavi's Board decided to cap the share of Gavi funding being invested in HSS at 25% and increasingly required that these investments were tied to improving immunisation outcomes given stagnating coverage and the specific requirements of immunisation programmes, rather than supporting general strengthening of health systems. And the Global Fund Board decided that support should be primarily provided within disease grants. This example illustrates that joint approaches need to be well thought through, compatible with the strategies of both organisations and have consistent support from both Boards to be successful and avoid creating high transaction costs, as well as confusion for countries.

3.11 At global level, Gavi and the Global Fund agreed to co-finance (with UNITAID) malaria vaccine pilots with Gavi committing US$ 24.6 million for phase 1, the Global Fund committing US$ 15 million and Unitaid US$ 9.6 million. Gavi, UNITAID and the Global Fund have now signed a joint MOU to align on guiding principles for how to work together over the course of the pilots and all three funders have agreed on a joint reporting and accountability framework to monitor progress and management of funds.

Operational efficiencies

3.12 In 2018, the Gavi and Global Fund secretariats – alongside Unitaid, Stop TB and Roll Back Malaria – will relocate to the Global Health Campus

(GHC). The Campus is designed to foster collaboration, enable new ways of working and inspire innovation, so we can deliver greater impact for the people we serve. The new offices will not only deliver operational cost efficiencies, in the form of lower rent and service charges, but also act as an enabler for enhanced programmatic collaboration and efficiencies, building on the existing collaboration described above, in delivering impact in country. Co-locating will strengthen the impact of our individual missions, driving long-term efficiencies that will far outstrip the significant initial cost savings associated with the building.

3.13 In March 2017, the respective leaderships of Gavi and the Global Fund agreed an equal partnership in the Health Campus. At one level, the agreement simply formalised the strong spirit of collaboration with which the respective project teams had already been working together. But the agreement also represented an important strategic milestone. Acting as joint investors in the Health Campus has helped formalise new ways for the Global Fund and Gavi to make decisions together. This is significant not only for the collective ability to deliver a successful move, but as the basis for a lasting partnership.

3.14 The Global Fund and Gavi are projected to occupy approximately 85% of the GHC office space (Gavi will occupy 25% and the Global Fund will occupy 61%). The remaining space will be occupied by Unitaid, Stop TB and Roll Back Malaria. In terms of cost savings, the Global Fund has estimated savings of US$ 57 million over the 10 years of its lease, in annual rent and associated services. For Gavi, the current expectation is that it will save up to US$ 15 million in rent and associated services. Both organisations expect to recoup their capital and moving costs of relocating to the GHC within approximately six years.

3.15 Beyond the savings from building costs, we will benefit from operational cost efficiencies, and expect to drive greater value for money by sharing facilities and services. The two organisations will share a number of services from day 1 (e.g. facilities management, security, printing, the IT network and communications). Upon moving into the GHC, Gavi and the Global Fund teams will work towards greater collaboration, identifying and more structurally reviewing and assessing the opportunities for joint efficiencies. The options and trade-offs in potential areas of collaboration are complex and the respective teams will be exploring the best long-term collaboration model.

4. Future outlook

4.1 Gavi and the Global Fund work closely across many areas of their businesses. With the move to the GHC, there will be incremental and increased opportunities for collaboration, especially in headquarters functions, which can further increase the efficiency and impact of both organisations. Both will continue to prioritise closer collaboration where this can add value, while also recognising that differences in the two organisations' missions and models can limit the scope for collaboration in

some areas, or mean that other partners are a more natural fit. The Gavi and the Global Fund leadership teams will continue to meet regularly following the move to the GHC, to discuss how the two organisations are working together.