

Gavi Alliance Programme and Policy Committee Meeting

4-6 May 2015

Gavi Offices, Geneva, Switzerland

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 09.04 Geneva time on 4 May 2015. Richard Sezibera, Programme and Policy Committee Chair, chaired the meeting.
- 1.2 The Chair welcomed participants and indicated regret that none of the representatives from the Developing Country constituency would be attending the meeting. PPC members noted the written comments that had been submitted by Dr Andrei Usatii on behalf of his constituency.
- 1.3 The Chair noted that Anders Nordstrom, Denmark/Netherlands/Norway/Sweden constituency, was to be replaced as PPC member and that pending a nomination by his constituency he had agreed that Anders Molin attend this meeting as an observer.
- 1.4 He also noted that Shanelle Hall, Alternate Board member representing UNICEF and Director of UNICEF Supply Division, would join the meeting by phone for the discussion on Item 7 *Gavi support for access to appropriate pricing for Gavi graduated countries*, and would be in a position to answer any specific questions there might be on the role of UNICEF Supply Division.
- 1.5 The Chair also noted that it is foreseen in the PPC Charter that "Any Board Member/Alternate who is not a member of the Committee may attend meetings as an observer" and that in this context Laura Laughlin, Alternate Board member for the IFPMA constituency, would join as an observer on the second day of this meeting.
- 1.6 Standing declarations of interest were tabled to the Committee (Doc 01a in the Committee pack).
- 1.7 The minutes of the October and November 2014 meetings were tabled to the Committee for information (Doc 01b and Doc 01c in the Committee pack). Both had been circulated and approved by no-objection on 10 January 2015 and 19 February 2015 respectively.
- 1.8 The Chair referred to the PPC workplan for the next year (Doc 01d) and reminded Committee members that they may contribute to the workplan by raising issues with either himself or the Secretariat.

2. Update from Secretariat

- 2.1 Seth Berkley, CEO, started by highlighting that as this is the first PPC meeting since the Gavi replenishment he wished to thank all for their support in securing a successful outcome.
- 2.2 The CEO noted that this is a critical meeting of the PPC as many of the topics to be discussed are key to implementation of the Board-approved 2016-2020 Gavi Strategy which focuses on increasing coverage, removing inequities and ensuring sustainability.
- 2.3 He highlighted that 2015 is Gavi's busiest year to date with over 100 planned vaccine introductions, 78 active HSS grants in 66 countries, increasing engagement with graduating countries, as well as work on operationalising Gavi's response to Ebola.
- 2.4 He noted that a number of items for this meeting have financial implications. In this context he reminded PPC members that a provision of US\$ 500 million for strategic investments had been made in the replenishment ask and that the upcoming financial forecast makes an additional allowance for future donor contributions. Over the next 12-18 months a number of decisions will be brought to the Board to support implementation of the 2016-2020 strategy and he is comfortable that these can be fully covered by the resources. He reminded PPC members that the resources may not be sufficient to cover new programmes such as Ebola, malaria or a substantial increase in support for measles should that be required based on future decisions.
- 2.5 The CEO referred to the Country Programmes update which would be given at this meeting and would again be a joint presentation by the Secretariat, WHO and UNICEF, highlighting both the progress that Gavi countries are making and the challenges they face, in particular recent vaccines losses due to fire and malfunctions in country cold stores.
- 2.6 He highlighted that the discussions in relation to strengthening country transitions out of Gavi support and the review of Gavi's co-financing policy will form a critical foundation for the 2016-2020 strategy. He noted that the three policies being reviewed are fundamental to the Gavi model and that the principles that underlie them, namely that Gavi support should be catalytic and targeted at the poorest countries which have least ability to pay for vaccines themselves, are supported by all. He recognised that there are strong and differing views on some of the issues to be addressed during this meeting and highlighted that the recommendations being put forward aim to reflect the diverse views while being rooted in the evidence which has been reviewed throughout the process of analysis and consultation over the past year.
- 2.7 The CEO reminded participants that all of the analysis done on the sustainability of immunisation programmes is predicated on graduated countries continuing to have access to Gavi prices for a period of time. The approach includes both tendering and payment components, and the implementation of the tendering component relies on a collaborative solution with PAHO regarding their lowest price clause (LPC).

- 2.8 The CEO referred to the work being carried out to finalise the new Strategy indicators and highlighted that getting these right will be critical to measure progress in delivery on the strategy. The indicators being presented at this meeting have been developed through a highly consultative process and the feedback to date has been positive.
- 2.9 The CEO reminded PPC members that a significant overhaul of the Business Plan had been requested and that, following extensive consultation with partners, a new approach had been shared with the Board during its retreat in March 2015 and had received broad endorsement. This new Partners' Engagement Framework has a more country-focused approach, enhanced grant oversight and risk management with clear roles and responsibilities across the Alliance, as well as purposeful partnerships to ensure that the best possible partner capabilities are used when and where needed.
- 2.10 The CEO provided a brief update on the search for the new Board Chair informing PPC members that it is hoped that the Board will be in a position to appoint a new Chair during a dedicated Board teleconference in September.
- 2.11 Finally, the CEO noted that Robert Newman, Managing Director, Policy and Performance, would be leaving Gavi shortly to follow his family to Cambodia. He acknowledged his huge contribution to the work of the Alliance during his short tenure and wished him well for the future.

Discussion

- PPC members commended the Secretariat on the papers which had been prepared for this meeting and acknowledged that a number of them had been developed following lengthy consultative processes and significant analysis. The PPC agreed that, in the context of a number of the recommendations being presented having financial implications for the Alliance, it would be useful going forward, and also for the Board, to have an overview of the not only in terms of financial investments in relation to the replenishment ask, but also in terms of additional impact and any possible opportunity costs. how that compares to what has already been invested.
- PPC members also highlighted the importance of focusing future PPC discussions on Coverage & Equity (C&E) of Immunisation, Gavi's new strategic focus, and establishing a link between PPC proposals and strengthening of C&E outcomes.
- PPC members noted that SAGE is discussing a strategy for middle income countries and that the work that the Alliance has achieved, in particular in terms of market shaping, should have a positive effect for these countries. It will be important for Partners to take on an increasing role in relation to the middle income countries as they phase out of Gavi support.

3. Country Programmes update

- 3.1 Hind Khatib-Othman, Managing Director, Country Programmes, Jos Vandelaer, Chief of Immunization, UNICEF and Michel Zaffran, Coordinator of the Expanded Programme on Immunization, WHO, presented an update to the PPC on the work being carried out by Alliance Partners. They highlighted the main successes and challenges since their last update to the PPC, reported that there are a continued large number of introductions in the next strategy period and focused on activities in relation to increasing coverage and equity. Information was also provided on health systems strengthening, on co-financing payments by countries, on graduation plans which are in progress and on the Alliance-wide high level mission to Pakistan which had taken place in February 2015.

Discussion

- PPC members highlighted the importance of a more holistic and integrated focus on C&E, and noted that under a specific work stream, in-country consultations are planned in a set of priority countries. The aim is not to create extra work at the country level but to look for transformational approaches building on the existing body of knowledge and evidence and leveraging processes which are already planned at the national level. There is a need to recognise that as the focus of the strategy is changing it will also be necessary to change the way in which things are done and that this will often require innovative and tailored approach to countries.
- In view of the importance of coverage and equity for the Alliance it was suggested that information on the impact on coverage and equity should be included for all recommendations being submitted to the PPC going forward.
- PPC members agreed that for accelerated progress on C&E outcomes, a differentiated approach is necessary with greater attention to a subset of countries with the largest scale or severity of C&E challenges. They suggested developing country specific approaches in these cases aiming to align all support streams including health systems strengthening (HSS) and technical assistance (TA) through the Partner's Engagement Framework (PEF). In their next meetings they would like to focus on some of these countries and discuss potential ways of how challenges can be addressed.
- PPC members noted the importance of coordination at the country level and holding both the countries and the in-country partners accountable, the need to involve bilateral partners in ICCs and review existing mechanisms to make them fit for purpose. In this context it was noted that it would be useful if the schedule for Joint Appraisals could be shared with bilateral partners to enable them to participate more actively.
- PPC members noted that as HSS grants are in the early stages, additional data will be needed to confirm the planned expenditures with actual and associated results. This is however planned and will enable an analysis to be done of the variance on what was planned and implemented and whether or not adjustments might need to be made going forward.

- PPC members noted that while there are general guidelines for all countries applying for HSS funding, applications can be tailored to meet individual country needs. Countries are encouraged to do a bottleneck analysis and use the application to request funding to address the gaps. Going forward, bottlenecks impeding C&E would be the key focus.
- It was indicated that the work being reported on by UNICEF and WHO during this presentation reflects both work for which they receive direct funding from the Alliance but also the additional work being done by them which is not Gavi funded.
- PPC members recognised the importance of the high level mission to Pakistan. One member suggested that it would be important to acknowledge that there had also been some inadequacies in the functioning of the Alliance in this country. Partners are now however working better together. There are still a number of issues to be monitored in particular in relation to programme management and lack of clarity on immunisation financing.
- PPC members expressed concern about the increasing number of countries defaulting on their co-financing payments. They noted that there is general consensus that the model works and were reassured to learn that there are ongoing discussions with the countries concerned which are helping to move things forward.
- PPC members expressed an interest in having more information about the performance frameworks and noted that these will enable the Senior Country Managers to more easily track activities in relation to those proposed in country applications. The aim is to improve monitoring by drawing on data which is largely already available and focusing more on key indicators.
- PPC members noted that it had been decided to separate work on graduation plans from graduation assessments as combining the work would have been too ambitious both for the countries and the Secretariat.
- PPC members welcomed the suggestion that the World Bank would contribute to the country programmes update at the next PPC meeting, in particular on the work being done around sustainability.

4. Strengthening country transitions out of Gavi support

- 4.1 Robert Newman, Managing Director, Policy and Performance, introduced this item, highlighting that the policies under review are at the heart of the model of the Alliance. The work has been both a huge opportunity and a huge challenge and this was indeed one of the most complex reviews undertaken by Gavi. The work done has focused on the evidence base and has taken into account the clearly low appetite across the Alliance for countries failing to sustain immunisation programmes after transition out of Gavi support.

4.2 Judith Kallenberg, Head of Policy, provided information to the PPC on the history of the eligibility and graduation policies. She reminded PPC members on the structure of the policy review process, the aim of the process and the guiding principles on which it was based. She provided detailed information on the analyses carried out during the review and the subsequent recommendations.

Discussion

- PPC members agreed on the importance of engaging with countries on transition as early as possible.
- PPC members questioned the use of the term “Phase 3” for graduated countries and some felt that this could lead to mission creep and misconceptions by countries who may request assistance over and above that which has been agreed to. PPC members noted that the use of “Phase 3” is important in the ongoing discussions with PAHO and that ways will be considered to improve the terminology for external communications. The Secretariat noted that “Phase 3” countries would have access to Gavi prices and be included in the vaccine demand forecasts but would not receive any funding from Gavi.
- Some PPC members did not feel that limited flexibilities should be introduced for countries facing the highest risk of unsuccessful transition. It was felt that it would create a moral hazard for countries. Reference was made to an analysis undertaken by DFID outside of the policy review which appears to indicate that there would not be a fiscal cliff for these countries. It was also stated that there is a difference between unwillingness to pay and inability to pay and that these need to be treated differently, in particular in the context of transition from Gavi support.
- While some PPC members supported the use of a three-year rolling average of GNI per capita to determine Gavi eligibility, others argued in favour of an approach whereby countries enter graduation once they are three consecutive years above the threshold, which is one of the indicators used by the World Bank when determining eligibility for International Development Association (IDA) support. It was suggested that the three consecutive years’ approach would give some additional time to countries up front to address transition concerns and reduce the need for exceptions being applied for certain countries. It was agreed that in order to compare the different approaches further information on the related costs and potential impacts of each should be presented.
- Some PPC members felt that the new policy should not allow for any exceptions, while others felt that there should be some flexibility. Some members felt that there should be the possibility to look at transition plans on a country by country basis, in particular if the aim is to sustain the investments made up to graduation.
- One member of the PPC pointed out that there is a certain inequity in the current policy in that graduating countries find themselves in a situation whereby they have access to Gavi prices during their one-year grace period and then no longer have access to those prices until they graduate. It was suggested that this in itself sets up perverse incentives as such countries might rush to apply for vaccine support during that one-year period even if they are not ready to introduce such new

vaccines. The Secretariat noted that there would be cost implications for the Alliance should graduating countries be allowed to apply for new vaccines during the entire graduation period. It was requested that an analysis be done on this to show how much it might cost to the Alliance if graduating countries were able to apply for and receive financial support from Gavi for new vaccines during the graduation phase.

- PPC members noted that there is a tension on the one hand between encouraging the introduction of new vaccines and on the other hand the desire for sustainability.
- PPC members noted that independently of the graduation criteria finally agreed upon, should graduating countries fall below the threshold they would become eligible for full support again.
- One PPC member suggested that should the recommendation to exceptionally allow graduated countries that did not have the possibility to apply for HPV, MR and/or JE vaccines be approved there would be a need to have discussions with the relevant manufacturers as this might lead to further supply constraints or issues related to vaccine security.
- The Secretariat clarified that the proposed recommendation here related to financing 50% of the requested vaccine doses for the first year only as well as vaccine introduction grants. The proposed funding would therefore be catalytic, helping the countries to implement the vaccines within their national programmes.
- A number of questions were raised in relation to the countries identified as facing the highest transition risk during graduation, in particular those whose GNI per capita indicator is substantially above the Gavi threshold. Some PPC members suggested that some of these countries are projected to have high fiscal revenues. The Secretariat noted that it can be the case for such countries that health indicators are some of the worst in the world, or that other factors are not taken into consideration such as outstanding national debt levels.
- PPC members reiterated the importance of having the views of Developing Countries before and during the next PPC meeting on this issue.
- PPC members noted that there may be alternative financing options available for countries going forward but that there would not be sufficient time to consider and analyse these before the next PPC meeting.
- The CEO noted that in order to move forward it will be necessary to come to agreement on what the problem statement is and the solutions that can then be proposed which, taking into account the discussions during this meeting, should preferably not include policies by exception and should be rules based. He also noted that in advance of the 21 May PPC teleconference, which had been proposed and agreed to during this meeting, there would be a number of bilateral consultations in order to understand the ability to target the different issues being discussed.

- PPC members recognised that due to recent significant changes in Board and Committee membership, within the Secretariat and throughout the Alliance as a whole there had been changing messages throughout this policy review process. It would be important to ensure everyone's understanding in line with the assumptions made for the Gavi replenishment and how any proposed changes would affect what the Alliance will ultimately deliver over time.
- The Chair concluded the discussion by highlighting that in advance of the PPC teleconference on 21 May none of the issues which were discussed during this meeting should be taken off the table. He highlighted the importance of taking into consideration differing opinions and demonstrating flexibility in true spirit of the Alliance.

5. Review of Gavi's co-financing policy

- 5.1 Santiago Cornejo, Head, Financial Sustainability & Graduation, presented information on the current co-financing policy and the main findings of the policy review.

Discussion

- PPC members endorsed the proposed changes to the co-financing policy, including linking co-financing to prices for Phase 1 countries and the proposed adjustment to the default mechanism.
- One PPC member noted that countries might be discouraged from adopting new vaccines if the application of the new policy means that they have to pay a higher proportion of the vaccine cost as part of their co-financing commitment.
- One PPC member noted in the context of the implementation of payment plans for countries who are in arrears on the co-financing payments that it will be important to monitor this and to ensure that it does not lead to increased transactional costs.
- It was also pointed out that the weighted average price (WAP) is used in the paper to benchmark how the co-payments would work but that this could be problematic as the WAP is normally determined post factum.
- The PPC member representing UNICEF suggested that the paper focused primarily on linking co-payments to vaccine prices and indicated other factors which it would be useful to further analyse, namely in relation to what might happen should countries decide massively to opt for the lower price vaccine presentations, how prioritisation would be done for countries should there be insufficient supply in relation to a presentation demanded, and also potential consequences in terms of operational costs. In the context of this discussion the PPC asked that the Secretariat and UNICEF work together to do further analysis and report back at the latest to the PPC at its meeting in October 2015 on such issues relating to global vaccine supply security.

- It was recognised that it is also important to ensure country ownership and that if countries make more holistic and better informed choices not only in terms of price then there will be a need to gradually move the market over time to a better representation of what the countries express as their needs.
- The Secretariat clarified that in cases where country preferences cannot be satisfied and a higher price product was provided, the country will not be required to pay a higher co-financing amount.
- One member of the PPC noted that the paper mentions that Gavi funds should be excluded for co-financing and suggested that donor funds should also be excluded as it is important that countries have a budget line for immunisation. The Secretariat noted that the focus is on Gavi funding as this is something which is more easily tracked.
- In relation to the guidance requested from the PPC in relation to co-financing requirements for MR and JE vaccines, some PPC members felt that co-financing requirements should be consistent for all vaccines. It was suggested that further discussion, in particular in relation to MR, should be had within the context of the discussion on the measles strategy.

Decision One

The Gavi Programme and Policy Committee:

Recommended to the Gavi Board that it:

- **Approve** the Gavi Co-financing Policy attached as Annex A to Doc 05.

6. A new Partners' Engagement Framework to implement the Gavi 2016-2020 Strategy

- 6.1 Anuradha Gupta, Deputy CEO, introduced this item, highlighting that at the time of the approval of the business plan for 2015 there had been a call from the PPC, EC and Board for a complete restructuring of the business planning process, to ensure that it is country centric, that the Secretariat plays a greater role in grant management, that there is more clarity around the role of partners and that there is enhanced accountability for outcomes at country level. The new Alliance Engagement Framework received endorsement from the Board at its retreat in March 2015 and the PPC would consider early thinking around the accountability framework including a new concept of Alliance key performance indicators (KPIs).
- 6.2 Adrien de Chaisemartin, Director, Strategy, Risk & Performance, gave a detailed presentation on the Partners' Engagement Framework which will include funding to partners for technical assistance to countries, global norms and standards and studies. He outlined the key principles for foundational support for partners,

referred to the Alliance accountability framework which will be put in place, as well as the mechanisms to review progress.

Discussion

- PPC members indicated strong support for this new approach with the partners' engagement framework having a strong focus on coverage, equity and sustainability at country level.
- PPC members welcomed plans to develop key performance indicators for the Alliance and looked forward to their involvement in supporting elaboration of the indicators going forward.
- PPC members noted that there is no wish to create new structures at the global, regional or national levels and the focus will be on reconfiguring existing structures for more effective contribution.
- It was clarified that the work being done by partners with Gavi funding is work for which they do not have other resources even if, which can be the case, the activities are considered core activities of the partner organisation.
- PPC members appreciated that the bulk of funding will be dedicated to Targeted Country Assistance, where it was noted that harmonisation at country level with bilaterals will be key to success. PPC members noted the idea of bringing co-investors on the PEF management group to promote alignment of investments at country level.
- PPC members also noted that there will be special investments in strategic focus areas such as investments related to supply chain and data.
- PPC members noted that in order to enable partners to manage, and potentially restructure, their resources for the new strategic period it has been agreed that the funding for foundational support will be submitted already to the Board in June 2015 for approval. At its meeting in October 2015 the PPC will be invited to review the overall approach to provide technical assistance to countries and the approaches proposed for each of the strategic focus areas.
- PPC members highlighted the importance of having an overarching document indicating the total annual spend of Gavi and looked forward to seeing this at its October 2015 meeting.

7. Gavi support for access to appropriate pricing for Gavi graduated countries

- 7.1 Robert Newman, Managing Director, Policy and Performance, introduced this item. Wilson Mok, Senior Manager, Price Forecasting provided information on the objective of the access to appropriate pricing (ATAP) work, highlighting that an

effective solution requires appropriate price and ability to access that price. He provided information on the gaps which had been identified and proposed solutions to address those gaps. He referred to a collaborative solution with PAHO which will enable implementation of the proposal and also gave information on financial implications and risk mitigation.

7.2 Shanelle Hall, Alternate Board member representing UNICEF, and Director, UNICEF Supply Division, joined the meeting for this item by phone.

Discussion

- PPC members commended the quality of the work which had been done to bring this recommendation before the Committee.
- A number of PPC members commented that this initiative should lead to greater transparency in vaccine prices in general and will potentially create appropriate pressure on the market to keep prices at an acceptable level. The Secretariat noted that during the ATAP related work there was an awareness that a balance needed to be found between recognising that graduated countries will need a period of stability, that this should be time limited and that ultimately countries with similar levels of income should be in the same market.
- While the PPC member representing IFPMA indicated his constituency's support for the proposed procurement mechanism and payment system, concerns were raised that there might be perverse incentives for countries who have the fiscal space to procure vaccines on the open market and that it might promote inequities.
- PPC members acknowledged the sensitivity of the ongoing negotiations with PAHO. The Secretariat clarified that PAHO has granted Gavi exceptions to its lowest price clause for certain vaccines and has indicated that they will not be in a position to extend these exceptions beyond the current scope. Both parties agreed that a solution should be sought whereby the ATAP proposal fits within the existing exceptions and this is the context in which the discussions between PAHO and Gavi are taking place. Gavi and PAHO would not run joint tenders and Gavi cannot guarantee the outcomes of PAHO procurement processes but rather Gavi would contribute its knowledge of procurement and tenders which might enable PAHO to achieve better outcomes for themselves.
- PPC members noted that there are ongoing discussions, including recently in SAGE, in relation to developing a strategy for middle income countries and appreciated that the strategy includes enabling non-Gavi countries to more effectively procure vaccines and improve coverage and equity.
- PPC members noted that this ATAP initiative will not lead to any changes in existing supply contracts with manufacturers. Going forward UNICEF will implement the vaccine tenders which include graduated countries in accordance with its normal procurement processes. It was noted that in some cases UNICEF already includes both Gavi and non-Gavi countries in some tenders. UNICEF and Gavi will also consider different approaches to tenders when appropriate and will

develop supply and procurement strategies for each vaccine in the context of its market.

- PPC members noted that the Vaccine Independence Initiative (VII) will benefit all Gavi countries, and not just Phase 2 and Phase 3 countries. PPC members also noted that it is an initiative which has existed for a number of years and is used to enable countries to overcome short term issues when procuring vaccines. The amount of US\$ 5 million was derived following an analysis of the countries that will be in Phase 2 and 3 over the near term, an estimate of the requirements during that period and the assumption that the fund will revolve twice per year initially. It is expected that in the longer term a higher level of funding will be required and part of the review which will take place in 2017 will be on performance and how the country needs are being met. UNICEF is working with donors with the aim of ensuring an increase in capitalisation of the VII to US\$ 100 million by 2020. The VII will not only be used by Gavi countries and it is also expected that there are some Gavi countries who will not avail of it.
- PPC members noted that there are countries who have already indicated that they are interested in self-procurement. Phase 3 countries who choose to procure through UNICEF will have to pay procurement fees.
- PPC members noted that a number of factors had been taken into consideration in relation to the appropriate time frame for Phase 3 countries to have access to UNICEF/Gavi tenders. Five years was thought to be reasonable as projections indicate that up to 50% of the countries would obtain UMIC status during that period. During the consultation process it became clear that there was very little appetite amongst stakeholders for a time frame of ten years. Feedback from countries indicated that anything less than five years would be too short to ensure stabilisation and it is felt that countries will need stabilisation as part of an enabling exit strategy. After the five years countries will enter the open market.

Decision Two

The Gavi Programme and Policy Committee:

Recommended to the Gavi Board, subject to endorsement by the Audit and Finance Committee of any funds recommended for approval, that it **approve** the Alliance's approach to ensuring access to appropriate pricing for Phase 3 [graduated] Gavi countries by:

1. Continuing to see appropriate and sustainable prices through market shaping activities consistent with Gavi's Vaccine Supply and Procurement Strategy.
2. Allowing Phase 3 [graduated] Gavi countries to be included in UNICEF tenders on behalf of Gavi-eligible and Phase 2 [graduating] countries for specific vaccines with the aim of continuing to provide them with access to Gavi prices for a five year period (provide a country commits to key terms to be define by UNICEF and Gavi), subject to assurance from PAHO that procurements by Phase 3 [graduated] countries in these tenders alongside other Gavi countries is covered under existing exceptions to the lowest price clause (LPC). *This assurance will be forthcoming*

upon a collaborative agreement between PAHO and Gavi which aims to result, among other things, in price reductions for PAHO's Revolving Fund.

3. Providing a catalytic investment of US\$ 5 million towards the capitalisation of UNICEF's Vaccine Independence Initiative (VII), a revolving fund which supports timely availability of financing for countries to meet payment terms. The use of this investment will be prioritised towards Gavi countries, subject to UNICEF approval of each country application to participate in VII. In 2017, the PPC will review the performance of the investment to determine whether there is a need to adjust the amount.

Requested the Secretariat to continue developing, in advance of the June 2015 Board meeting, a collaborative agreement between PAHO and Gavi as referenced above and noted that this agreement would involve the Gavi Secretariat and any other relevant partners.

Erik Bossan (IFPMA) and Rajinder Suri (DCVMN) recused themselves and did not vote on Decision Two above.

Jos Vandelaer (UNICEF) recused himself and did not vote on Decision Two 3) above.

8. Gavi's support for measles

- 8.1 Seth Berkley, CEO, introduced this item, highlighting that although much has been achieved in the past decade in terms of containing measles, outbreaks are still occurring globally and coverage is stalling. He noted that Gavi interventions were predicated on disease reduction and control, and not structured towards an elimination strategy. Gavi's approach to measles has developed incrementally through various Board decisions and it is now timely to review Gavi's overall programming and support for measles with the aim to shaping a decision on Gavi's future role in measles and rubella.
- 8.2 Stefano Malvoti, Director, Vaccine Implementation, gave an overview of the funding Gavi will have provided for measles by 2020, highlighted some of the current challenges to be addressed, including those for which the scope and approach of Gavi support could influence magnitude and impact. He outlined a number of options which could be considered by Gavi going forward.

Discussion

- PPC members appreciated the fact that work is being done to develop a comprehensive strategy. It was recognised that a number of parameters have changed since previous Board decisions which call for the Board to review its strategy. Gavi's mission has been to support new and underused vaccines. When the Board agreed in June 2012 to support measles Supplementary Immunisation Activities (SIAs) in six countries there was no discussion on whether or not Gavi should get involved in measles immunisation more broadly. Rubella then became a new vaccine for countries. The Measles & Rubella Initiative (M&RI) focuses on

immunisation campaigns whereas Gavi's new strategy's focus is strengthening of RI. The time is now ripe for a discussion on Gavi's potential role in the measles and/or measles/rubella space going forward.

- One PPC member stated that in the context of developing a strategy it will be important to ensure a link to Gavi's mandate to support countries to deliver vaccines and routine immunisation to the appropriate target populations in line with their broader health efforts.
- PPC members agreed with the suggestion that in the context of the development of a measles strategy for Gavi it would be useful to have more clarity on the relationship between Gavi and the Measles & Rubella Initiative (M&RI).
- Some PPC members expressed the wish to remain engaged in the development of the strategy in the lead up to the October 2015 PPC meeting. It was agreed that the discussions will require a significant amount of technical thinking. While it will be important to learn from past experience it will be more important to focus on the future, in particular as a decision for Gavi to play a role in relation to measles and routine immunisation will have long term consequences. In this context it was suggested that it will be useful to consider the time potential and triangulate with potential associated risks.
- PPC members highlighted the importance of looking at all potential risks and in particular if there is a move towards supporting both measles and rubella. PPC members noted that there will be a need to consider countries ability to sustain measles or measles/rubella immunisation post Gavi support, should Gavi decide to support this going forward.
- PPC members expressed support for further work to be carried out on developing options 3 and 4 as presented in the paper in comparison to the current baseline (option 2) and while it was generally agreed that measles elimination (option 5) should not be within the remit of Gavi it was suggested that it might be useful to do some costing around this option. It was agreed that options outlined in the paper are illustrative and that also alternative combinations of the various components can be pursued should it be deemed appropriate during the consultations.
- PPC members were asked to provide guidance in relation to an extension of support for measles Supplementary Immunisation Activities (SIAs) pending a decision on the wider measles strategy. While PPC members noted that Ethiopia wishes to do an SIA for children up to 15 years of age it was agreed that while a new strategy is being developed it would not be appropriate for Gavi to provide support beyond the under 5 age group in line with the June 2012 Board decision.
- PPC members stressed the need for in- country partners's support for high quality SIAs including meticulous planning and execution with sharp focus on mapping and reaching consistently missed children.

Decision Three

The Gavi Programme and Policy Committee:

Recommended to the Gavi Board that it:

- a) **Note** its decision to support on an exceptional basis, measles SIAs in six large countries at high risk of measles outbreaks (Afghanistan, Chad, DR Congo, Ethiopia, Nigeria, and Pakistan) as taken at its meeting in June 2012;
- b) **Approve**, subject to confirmation and endorsement of available funding by the Audit and Finance Committee, an extension of Gavi support for one additional measles SIA for children under five years of age in each of Ethiopia and DR Congo, which are expected to be conducted in 2015-2016 at an estimated cost of US\$ 30 million; and
- c) **Note** that the possibility of additional Gavi support for measles SIAs will be considered in the context of a strategy with respect to Gavi's overall involvement in measles and rubella, to be discussed by the PPC in October for possible recommendation to the Board in December 2015.

Erik Bossan (IFPMA) and Rajinder Suri (DCVMN) recused themselves and did not vote on Decision Three above.

9. Management response to IRC and HLRP recommendations

- 9.1 Peter Hansen, Director, Monitoring & Evaluation, provided an update to the PPC, highlighting that the management response is an Alliance response and that while there is an update to the PPC only once per year the actions are in real time. Challenges and risks have been identified which require action in many areas and the needs are being addressed as part of the new strategy and Partners' Engagement Framework.

Discussion

- PPC members noted that the IRC had called for a mid-term evaluation of HSS grants in addition to a final evaluation and wondered if it makes sense to do both, also taking into account the requirement to do joint appraisals. The Secretariat clarified that the HSS mid-term evaluations are not a requirement across the board and that there is concern on the cumulative effect of all requirements and conditions that are being put on countries in the context of the grant cycle. Further work is being done on thinking around when might be the optimal time for evaluations to be carried out, even if these are light touch evaluations, which could then feed into country strategy and planning processes.
- PPC members noted that the IRC and HLRP recommendations are considered by the three strategic goal management teams and that by shifting the review and dialogue to the country level through the joint appraisal process there is an opportunity to connect back to the recommendations.

- PPC members noted that it is not foreseen that Expressions of Interest would replace the applications. They were introduced based on the rationale that it would give earlier visibility to the Alliance on what countries would like and that this would help to mobilise earlier support for country planning.
- The Secretariat noted that evidence of impact is critical and that the introduction of performance frameworks will help to track results more rigorously and to increase accountability.
- In response to a question from a PPC member the Secretariat clarified that the Gavi guidelines state clearly that where salary top ups are provided by countries within the framework of Gavi grants there has to be a clear link with the countries HR policy and strategy, they should be time limited and that anything outside of that would be cause for concern. The Secretariat is working closely with the Global Fund to get endorsement of a harmonised approach on this issue which has been developed together.
- Following a request from a member of the PPC the Secretariat confirmed that it would be possible for PPC members to attend HLRP meetings as observers.

10. Developing a comprehensive approach to Alliance engagement with India 2016-2020

- 10.1 Seth Berkley, CEO, introduced this item by reminding PPC members that in December 2014, triggered by a surprise IPV application, the Board had requested that a comprehensive strategy for India be presented to them in June 2015. The issues are complex and require thorough analysis of Gavi added value and potential impact. In the first instance therefore the PPC, at this meeting, would be asked for guidance on the principles for engagement with India. He noted the high level of political engagement of India raising optimism that significant progress could be made. This would then be followed by discussions with the Indian government on a proposed comprehensive package of support to be submitted to the PPC for endorsement at its October 2015 meeting and subsequently by the Board in December 2015.
- 10.2 Ranjana Kumar, Regional Head, Asia & Western Pacific, and Aurelia Nguyen, Director, Policy & Market Shaping, presented information additional information to the PPC, highlighting that there are individual Indian states which are comparable to other Gavi countries in terms of magnitude, income, levels and immunisation coverage, that India accounts for a third of under-immunised children globally, and that India is a significant driver of global vaccine supply and demand.

Discussion

- PPC members noted that there is commitment at the highest level of the Indian government to introducing new vaccines and agreed that this is an opportune moment for Gavi to engage with a country like India that can make a huge impact. PPC members noted that there is also great support from in country partners.

- PPC members agreed that while it is not realistically possible that Gavi would be able to provide full support for India as it does for other countries it would be premature to set a cap on the level of support that should be provided until further analysis has been done. The development of the strategy for India should be guided by the principles and the opportunities that lie ahead.

11. Update on Ebola

- 11.1 The Chair introduced this item by informing PPC members that it had been put on the agenda at his request. He reminded PPC members that it would not be appropriate to ask questions in relations to potentially commercially issues, and that the Executive Committee has been mandated by the Board to receive regular updates and, when and if appropriate, approve funding structures.
- 11.2 Seth Berkley, CEO, reminded PPC members that Gavi's engagement in the Ebola response is exceptional and that the outbreak is a reminder of the critical importance of strong health systems and the power of vaccines.
- 11.3 Stefano Malvolti, Director, Vaccine Implementation, updated the PPC on progress which is made by Gavi to help accelerate deployment of an Ebola vaccine, in supporting recovery of health systems and routine immunisation programmes in the affected countries.

Discussion

- PPC members agreed that Gavi's approach and the Board decision in December was the right one given the complex environment at that time but recognised that in the context of what is happening on the ground now it is unlikely that there will be a high vaccine demand scenario and that this needs to be taken on board.
- There was agreement that the focus now needs to be on health system strengthening and recovery of routine immunisation programmes as well as long term availability of a vaccine.
- PPC members noted that the three affected countries have already received significant funding through the development partners and suggested that the Secretariat needs to explore ways of working with those partners at country level and their counterparts at the global level to ensure that there isn't an overlap in resources being deployed.
- PPC members agreed that there is an opportunity to have a wider discussion on whether or not the Alliance should engage in disease outbreak more generally and look at where the Alliance funding could have the most impact. There would of course be risks associated with Gavi playing a role in this area and there may not be an appetite for funds to be set aside for emergency response situations going forward.

- PPC members also agreed that there needs to be further thinking around the potential added value of Gavi in relation to the development of second generation vaccines in the context of the work being doing on this by WHO. Should there be a wish to engage in this it would also be necessary to consider the relative level of priority in terms of other activities and funding.
- One issue which will also require further exploration is whether or not the Secretariat would have the surge capacity going forward to take on the additional workload should Gavi be involved in the response to a future disease outbreak.
- PPC members noted that there is a special role for Gavi in relation to Ebola in that there is no market for an Ebola vaccine. In this context it is important that commitments made to manufacturers enabling them to step up vaccine development are honoured. It will also be important to signal to manufacturers that there will be demand for a second generation vaccine.
- PPC members noted that discussions in relation to setting up an Ebola vaccine stockpile are ongoing with all relevant partners.
- PPC members agreed that many of the issues raised during this discussion would merit further discussion and agreed that while it would not be possible at the October 2015 meeting due to other priorities it should be incorporated into the PPC workplan.

12. Market Shaping update

- 12.1 Melissa Malhame, Head, Market Shaping, provided an update to the PPC on the progress of the implementation of Gavi's vaccine supply and procurement strategy.

Discussion

- In response to a question from a PPC member the Secretariat clarified that an external consultant will be involved in the review process of the supply and procurement strategy but that it is not planned that there will be an independent evaluation of the strategy. This was decided in the context of feedback received that directionally the supply and procurement strategy is correct but that there are some areas to develop and strengthen, and taking into consideration both timing and opportunity costs.
- PPC members noted the concerns expressed by the DCVMN representative who indicated that even for Gavi-funded, WHO and UNICEF pre-qualified vaccines some countries are still insisting on separate registrations for, and on-site inspections of, manufacturers.
- The PPC member representing IFPMA, whilst recognising that there is potential conflict of interest, requested that his constituency be involved in the review of the supply and procurement strategy. The constituency feels that it could add value to

the review and that conflicts of interest could be managed well as they are within the PPC and the Board.

13. Gavi Alliance Strategy 2016-2020 – goal level indicators and disease dashboard

13.1 Peter Hansen, Director, Monitoring & Evaluation, presented the proposed goal level indicators for strategic goals 1, 3 and 4, the draft indicators for strategic goal 2, the preliminary draft targets for all strategic goals, and the disease dashboard for the 2016-2020 strategy.

Discussion

- PPC members commended the process to define the indicators for the strategic goals and the disease dashboard.
- In the context of a discussion on the proposed additional indicator for “Aspiration 2020” (% of countries sustaining delivery of all recommended vaccines in their routine programmes after transition away from Gavi financing), PPC members agreed that this should be limited to the 73 countries supported at the time that the revised eligibility policy was approved in 2010.
- PPC members noted that the indicators for the disease dashboard will be measured at the global level using existing country level data. Strengthened country capacity analysis and synthesis of the relevant data will be part of the broader data and measurement investments work.
- In relation to the two proposed options for measles indicators PPC members indicated support for option 2.
- Some PPC members suggested that the proposed target for reach of routine coverage under strategic goal 1 could be more ambitious. The Secretariat clarified that the actual baseline will be 2015, not 2013.
- In relation to the breadth of protection indicator under strategic goal 1 the Secretariat clarified that some analysis has already been done and it is foreseen that this is an indicator which could show some compelling information. The Secretariat also clarified that the vaccines which will be measured are the ten vaccines supported by Gavi. This is calculated as the average of each of the vaccine-specific coverage estimates for each country, rather than as the percentage of children receiving all ten vaccines.
- PPC members agreed that the indicator under strategic goal 1 referring to the distribution by education status of mother/female caretakers should be modified to make the level of difference tracked consistent with the wealth quintile indicator i.e. within 10 percentage points.

- In relation to the ongoing work on developing indicators for strategic goal 2 PPC members noted that measuring data quality will not be easy. PPC members appreciated the proposal to look at the WHO-led work on assessing levels of confidence in country data sources that is in process and will be presented to the SAGE working group on the Global Vaccine Action Plan in September of this year. Highlighting the importance of having accurate data will be important.
- The Secretariat noted that there are limitations related to the draft integration indicator under strategic goal 2 as it is only one vaccine out of ten supported by Gavi and the supply demand forecast indicates that only 22 countries are expected to introduce rotavirus vaccines during the five-year strategic period. The core group working on the indicators is exploring whether similar pairings with complementary interventions can be identified for other vaccines across the Gavi portfolio.
- In relation to the proposed indicator for Civil society and private sector engagement under strategic goal 2 there was some discussion on whether the indicator should be measured in relation to actual implementation rather than plans, and it was suggested that both could perhaps be taken into consideration. It was also suggested that the number of countries working with CSOs could perhaps be considered. The work which CSOs are doing on advocacy in-country could also be considered.
- In relation to the co-financing indicator under strategic goal 3 one PPC member indicated that it would be useful to measure what is coming from domestic resources in order to ensure that budget lines are not relying on external financing. The Secretariat clarified that it is foreseen that domestic resources will be tracked through the second indicator under strategic goal 3.
- PPC members discussed the fact that using DTP3 as the proxy for measuring coverage is something which could be moved away from going forward.
- In the context of a discussion on the “fully immunised child” it was noted that concerns had been raised in relation to who (national or global authorities) is to say when a child is fully immunised. There is, however, wide agreement that it is critical to track immunisation coverage with multiple vaccines at the level of the individual child, and that there is an important measurement agenda around this.
- PPC members noted that the indicators presented are top line indicators and that there is a cascading set of indicators which feed into them.
- PPC members noted that the indicators to measure the performance of the Partners and the Secretariat will be part of the the Alliance Engagement Framework.

Decision Four

The Gavi Programme and Policy Committee:

Recommended to the Gavi Board that it:

- a) **Approve** the indicators for the Gavi Strategy 2016-2020 recommended in Section B of Doc 13 for inclusion in 'Aspiration 2020', the disease dashboard, including Option 2 as a measles indicator, and under each strategic goal **other than** indicators for strategic goal 2;
- b) **Request** the Secretariat to present indicators for strategic goal 2, an additional indicator of healthy market dynamics and an additional indicator of institutional capacity for national decision-making, programme management and monitoring to the PPC in October 2015 for recommendation to the Board in December 2015;
- c) **Request** the Secretariat to present targets for the indicators for each strategic goal to the PPC in October 2015 for recommendation to the Board in December 2015; and
- d) **Request** the Secretariat to work with partners in advance of the October PPC to finalised details related to the definitions and measurement approaches for all indicators across the disease dashboard and strategic goals, and provide an updated indicator definition document for the PPC's information in October 2015.

14. Gavi investment in data and measurement as part of the Gavi Alliance Strategy 2016-2020

- 14.1 Peter Hansen, Director, Monitoring & Evaluation, presented information to the PPC on the proposed guiding principles for potential future investments by Gavi in data availability, quality and use, on the three suggested areas of focus, on the draft goals proposed for each area of focus and the priority fields of engagement to reach each goal.

Discussion

- Some PPC members felt that this is another topic in which the PPC should remain engaged in the lead up to the October 2015 PPC meeting.
- They strongly endorsed the guiding principles and focus areas, and appreciated in particular that there will be full alignment with existing initiatives and a focus on country needs and priorities.
- PPC members noted that Alliance Partners are already making significant investments in data and that it will be important to look at what Gavi's comparative advantage could be and to ensure that any overlap in investments is avoided.
- PPC members agreed that it will be critical to encourage accurate reporting of data in particular as there has been a tendency to lose sight of this in the push to see increasing coverage. It will be important to communicate with countries on the benefits of having correct data and demonstrating how that can be useful to them for their immunisation systems.

- PPC members noted that moves are being made in some countries to introduce legislation whereby it could become a punishable offence to release unofficial data and that it will be important for countries to understand that they will not be penalised for being honest.
- PPC members also noted that work is ongoing to see how it might be possible to leverage some of the existing work which has been done in the context of polio immunisation, where one of the key legacies of the polio eradication initiative has been the global network for surveillance and outbreak monitoring.

15. Cold Chain Equipment Optimisation Platform

15.1 Alan Brooks, Director, Health Systems and Immunisation Strengthening, and Lauren Franzel, Senior Specialist, Demand Forecasting, presented an investment case for a Cold Chain Equipment (CCE) Optimisation Platform, highlighting the rationale for the platform, recommendations on the design and implementation, and initial estimates of its impact and financial requirements. They also highlighted that this work is being done as part of the wider Board-approved supply chain strategy.

Discussion

- There was general support from the PPC for this initiative in particular in a context where there has been a huge scale up in vaccine introduction but that there are still a large number of cold chain devices which are unreliable. This will be another step to ensuring that the Alliance can reach its coverage targets. It will also be an opportunity for Gavi to play its first major role in market shaping outside of vaccines.
- The CEO highlighted that one of the critical issues will be to encourage those planning investments in cold chain equipment to invest in better equipment. While new technologies might be more expensive up front, a cost that would be offset by the platform. they can be more reliable with lower and more sustainable running costs over their life times.
- PPC members highlighted the importance of country ownership and that countries should not be put in a position where they feel that certain choices are being forced upon them. PPC members noted that the High Level Review Panel has taken note in its review of county reports that there is a high demand for CCE and that countries are often concerned in relation to their ability to procure and maintain the equipment. In this context pooled procurement, such as facilitated by the platform, is something which would interest a number of countries.
- PPC members asked if the funding for CCE should not be seen as a core part of HSS grants. It was confirmed that there is no intention to create a separate window for cold chain equipment, and that over the long term that the platform strengthens country-driven investment choices, including through HSS, and ensures that such funds go further through approaches like market shaping.

- PPC members also appreciated that a training component has been built in, in particular as many health workers in country do not fully understand the importance of maintaining the cold chain for vaccines.
- PPC members reiterated the importance of presenting the financial implications of this decision to the Board in the context of the financial implications of all decisions and the related opportunity costs.
- PPC members agreed on the importance of ensuring that the installation of equipment is part of the agreements with manufacturers and that there also need to be assurances in relation to the maintenance of equipment, beyond the maintenance plans which were proposed in the paper to the PPC.
- PPC members noted that further work will be done over the next few months on the details in relation to implementation of the platform. In this context it was suggested that it could be useful to find a way to prioritise the areas in countries where there is a complete lack of CCE.

Decision Five

The Gavi Programme and Policy Committee:

Recommended to the Gavi Board that it:

- a) **Approve** the creation of an innovative mechanism to strengthen country cold chain systems and advance the Alliance's Supply Chain Strategy and, ultimately, coverage and equity goals (the "CCE platform"), the design of which is set out in Section 8 of Doc 15 and includes a funding model tiered by country GNI level; and
- b) **Note** that an amount of US\$ 50 million (to be reassessed and potentially increased based on initial applications to the CCE platform) will be allocated from the resources pledged for 2016-2020 (which envisage funding for strategic initiatives to realise Gavi's new strategy) to launch the implementation of the CCE Platform and fund the initial applications during approximately 2016-2017 and **request** the Secretariat to report back to the PPC and to the Board in 2017 on the implementation of the CCE Platform.

Jos Vandelaer (UNICEF) recused himself and did not vote on Decision Five above.

16. CSO engagement in Gavi's HSS mechanism

- 16.1 Hind Khatib-Othman, Managing Director, Country Programmes, introduced this item. Alan Brooks, Director, Health Systems and Immunisation Strengthening, outlined the CSO partnership model, reminded PPC members of the June 2012 Board decision on support to CSOs, gave an overview of CSO activities in HSS proposals and on implementation to date with a highlight on the challenges and mitigation strategies.

Discussion

- The PPC member representing the CSO constituency expressed appreciation for the improved engagement between the Secretariat and the constituency. She highlighted that in addition to the support which is provided to the constituency through the national platforms, the Secretariat has been responsive in providing support for small projects, related in particular to advocacy.
- PPC members acknowledged that it is difficult to measure the impact of the work of the CSO constituency for the Alliance but that it will be important to demonstrate this impact to justify any increase in funding to be provided within the partners engagement framework for the 2016-2020 strategy.
- PPC members noted that it would be useful to have more information on the exact countries in which CSOs are contributing to the coverage and equity targets of the Alliance and that this is then where resources could be focused.
- One PPC member suggested that new areas of engagement for CSOs could be further explored such as engaging CSOs in formal governance relationships in countries.
- PPC members noted that the CSO constituency will be making a presentation on community ownership during the pre-Board technical briefing sessions in June 2012.

17. Review of decisions

- 17.1 Joanne Goetz, Senior Manager, Governance, reviewed the decision language with the Committee which was approved by them.

18. Any other business

Discussion

- During a closed session PPC members discussed a number of options in relation to how the Committee could work better going forward. This includes streamlining and PPC involvement in critical Technical Working Groups. These and other issues will be discussed at a dedicated PPC Retreat.
- PPC members encouraged in particular further thinking on how representatives from the developing country constituency could be more fully engaged.
- After determining there was no further business, the meeting was brought to a close.

Mrs Joanne Goetz
Secretary of the Meeting

Attachment A

Participants

Committee Members

- Richard Sezibera, Chair
- Erik Bossan
- Mariam Diallo
- Jason Lane
- Clarisse Loe Loumou
- Susan McKinney
- Violaine Mitchell
- Robert Oelrichs
- Jean-Marie Okwo-Bele
- Rajinder Suri
- Jos Vandelaer
- Seth Berkley
- Jon Abramson

Regrets

- Kesetebirhan Admasu
- Zulfiqar A. Bhutta
- Ahmad Jan Naeem
- Andrei Usatii

Guests

- Shanelle Hall (Item 7)
- Michel Zaffran (Item 3)

GAVI

- Anuradha Gupta
- Joanne Goetz
- Hind Khatib-Othman
- Robert Newman
- Alan Brooks
- Santiago Cornejo
- Adrien de Chaisemartin
- Lauren Franzel (Item 15)
- Peter Hansen
- Hope Johnson (Items 13 & 14)
- Judith Kallenberg (Items 4 & 5)
- Ranjana Kumar (Item 10)
- Melissa Malhame (Item 12)
- Stefano Malvolti
- Wilson Mok (Item 7)
- Aurelia Nguygen
- David Salinas

Observers

- Laura Laughlin
- Anders Molin
- Stephen Karengera, Special Adviser to PPC Chair