

Gavi Alliance Programme and Policy Committee Meeting

8 June 2022

Virtual Meeting

1. Chair's report

- 1.1 Noting that the meeting had been duly convened and finding a quorum of members present, the meeting commenced at 13.04 Geneva time on 8 June 2022. Helen Rees, Programme and Policy Committee (PPC) Chair, chaired the meeting.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc 01a in the Committee pack).

2. Gavi's Approach to Engagement with Former and Never-Eligible Middle-Income Countries (MICs)

- 2.1 Santiago Cornejo, Director, Immunisation Financing & Sustainability introduced the item (Doc 02), recalling that at its meeting on 18-19 May 2022, the PPC had requested further discussions on the MICs Approach in advance of the June 2022 Board meeting.
- 2.2 He outlined the enhanced focus areas, whilst noting the MICs Approach as fundamentally country-driven and results orientated. Sustainability, including financial sustainability, remains a core tenet of the approach.
- 2.3 He highlighted the proposed rules-based approach for supporting MICs facing challenges related to fragility, emergencies and displaced populations, noting the clear eligibility requirements, the requisite conditions for support, the types of support that will and will not be provided and the proposal to reduce the proposed ceiling to 25% of the overall MICs budget. He also noted that in applying the rules-based approach, the requests for individual country exceptions had been removed.
- 2.4 Mr Cornejo then outlined the reasons for the PPC to consider support for Venezuela, noting that the country does not currently have an ascribed World Bank Gross National Income (GNI) indicator, making it a special case.

Discussion

- PPC members thanked the Secretariat for the additional work in bringing this item for discussion and consideration, particularly commending the clarity in the rules-based approach.

- In response to PPC concerns regarding how far the 25% cap in fragility MIC support may be required to stretch, particularly given future and potential assistance to countries such as Ukraine, Sri Lanka, Lebanon, and other fragile MICs, whilst noting future unpredictability, the Secretariat was confident that the cap is sufficient for immediate and future country support.
- In relation to comments around tiered pricing, the Secretariat clarified that the intention is not to create a new pricing tier. Rather, the Secretariat is proposing ways to reduce the risks to manufacturers working with MICs, thereby enabling them to commit to a single sustainable price across eligible countries. The Secretariat also confirmed a collaborative approach, while respecting each other's principles, for working together with PAHO Revolving Fund and UNICEF Supply Division – a triparty working group has been established to identify common areas of interest and ways of working together.
- The PPC member representing the Industrialised Vaccine Industry emphasised the need for a tailored approach, and highlighted vaccine industry experience and challenges in MICs as particularly difficult and complex. She urged the Secretariat not to overlook country context, political commitment and providing technical assistance (TA) through country programming, evidence generation, disease surveillance, cold chain, and awareness-building campaigns. The Secretariat acknowledged the request to engage and communicate with the vaccine industry to share experiences and adapt long-term agreements, as required. Further, the Secretariat outlined country engagement as continuing beyond procurement to include assistance in areas such as decision-making, vaccine introductions, advocacy and information sharing.
- In relation to extending the implementation from June 2022 to until end of December 2025 for utilisation of the US\$ 20 million for targeted support to mitigate backsliding, one PPC member expressed concern that out of the total US\$ 281 million, only US\$ 12 million had currently been allocated and requested clarification on the reasons for the delay. The Secretariat explained this as largely due to the impact of the COVID-19 pandemic, and highlighted the current significant uptick in country interest and acceleration in progress.
- In relation to the request for clarity on the innovative financing mechanisms and activity with UNICEF Supply Division, the Secretariat explained the two areas of focus as: i) addressing short-term, unpredictable demand by facilitating the provision of longer-term demand forecasting and pooled demand; and ii) mitigating barriers to country participation in pooled procurement mechanisms by possibly leveraging Gavi's UNICEF escrow account to satisfy pre-payment requirements. The Secretariat noted that these areas can be achieved at no financial risk to Gavi.
- Expanding on this point, the PPC member representing UNICEF described this mechanism as an adaptation of the Vaccine Independence Initiative (VII). It was noted that the innovative financing mechanism provides an opportunity for procurement and access at scale, together with market expertise, for vaccines secured by UNICEF. For MICs, existing platforms will be utilised rather than creating new platforms.

- In relation to a question as to engagement of the Independent Review Committee (IRC), the Secretariat explained the proposal to engage the IRC in reviewing and assessing targeted interventions, one-off support requests, and vaccine catalytic financing.
- Following a request from PPC members to provide more details around how the MICs Approach has evolved over time, the Secretariat noted that whilst there have been no fundamental changes to the approach, there have been two main shifts in light of the impact of the COVID-19 pandemic:
 - The Secretariat determined that now is not the right time to expand eligibility to include all upper-MICs with GNI p.c. up to US\$ 6,000; and,
 - The approach to preventing backsliding envisaged prior to the COVID-19 pandemic was much lighter touch given the high performing immunisation programmes in former-Gavi eligible countries, whereas the approach now includes Targeted Interventions to support countries in restoring immunisation coverage rates.
- PPC members discussed the proposed eligibility of Venezuela at length. They noted the absence of World Bank GNI data, the acute economic and health system crisis impacting the country and a projected depletion of vaccine stocks placing approximately one million children without access to key vaccines and susceptible to potential polio and measles outbreaks. The following comments/observations were noted:
 - Concern that in relying only on GNI as an indicator for eligibility, a potential delay in response time whilst waiting for data issuance, may adversely affect country assistance and negatively impact the region given the population size and number of children cohorts;
 - PPC members requested the Secretariat engage in additional consultations with relevant partners to explore best GNI estimates; and
 - The PPC member representing Civil Society Organisations (CSOs) requested the Secretariat actively engage with regional CSOs in bringing about effective assistance.
- Responding to PPC questions in understanding the utilisation of Venezuelan assets (currently frozen and under the control of the United States Treasury Department Office of Foreign Assets Control (OFAC)) as part of the exit strategy, the Secretariat explained the International Federation of the Red Cross proposal before OFAC to approve the release of approximately US\$ 100 million of assets for vaccine procurement and utilisation. Noting the protracted timing in the release of such funds, the Secretariat would continue stakeholder engagement, including at country level, in agreeing allocation of vaccine resourcing, which would also determine country commitment to a funding allocation, as well as shaping the country exit strategy.

- In response to a question on the humanitarian response plans for Venezuela, the Secretariat explained both WHO and UNICEF as driving humanitarian vaccine planning, alongside bilateral donor support particularly over the last two years. Should bilateral donor support cease, Gavi may be requested to step in to fill the funding gap (expected to be minimal given the previously discussed expected release of frozen assets).
- In response to questions from PPC members relating to whether or not Venezuela might be expected to commit to refunding any support received from Gavi, the Secretariat noted the requirement of an exit strategy in ensuring and reinforcing programme sustainability, but no requirement that the country would reimburse the support provided.
- PPC members indicated that several areas would benefit from clarification to support the Board's deliberations, including: i) the evolution of the MICs approach; ii) MICs eligibility for support, or, ineligibility, as the case may be; and iii) IRC engagement.

Decision One

The Gavi Alliance Programme and Policy Committee **recommended** to the Gavi Alliance Board that it:

- a) **Approve** updating the list of lower middle-income countries eligible for support under the MICs Approach in line with 2021, 2022 and 2023 World Bank GNI data released in 2022, 2023 and 2024 respectively;
- b) **Approve** the proposed intervention, secretariat resourcing, and funding approval pathways as per Annex B to Doc 02 as amended by discussions at the PPC;
- c) **Approve** extending the implementation time from until June 2022 to until the end of December 2025 for use of the US\$ 20 million for targeted support previously approved by the Board in June 2020 for former Gavi-eligible countries; and
- d) **Approve** the rules-based approach to supporting eligible MICs that meet the conditions to receive dedicated fragility support as outlined in Annex C to Doc 02.

Noting that a GNI classification is not available for Venezuela, and that there is a national and regional threat to immunisation coverage, and further to additional consultations with relevant partners on a best estimate of GNI

- e) **Agree** that Venezuela be treated as eligible under the MICs Approach.

Lamia Badarous (IFPMA), Sai Prasad (DCVMN), Ephrem Lemango (UNICEF), Kate O'Brien (WHO) and Kent Ranson (World Bank) recused themselves and did not vote on Decision One above.

3. Review of Decisions

- 3.1 Joanne Goetz, Head, Governance, reviewed the decision language with the Committee which was approved by them.

4. Any other business

- 4.1 Noting this as her last meeting, the Chair thanked PPC members for the rich discussions and involvement in terms of diversity of views, as well as reaching consensus and expressed her pleasure in having chaired such a vital committee.
- 4.2 After determining there was no further business, the meeting was brought to a close.

Mrs Joanne Goetz
Secretary to the Meeting

Attachment A

Participants

Committee Members (Virtual)

- Helen Rees, Chair
- Awa Marie Coll Seck
- Sue Graves
- Michael Kent Ranson
- Ephrem Lemango
- Kate O'Brien
- Abdelkadre Mahamat Hassane
- Edna Yolani Batres
- Kelechi Ohiri
- Bernard Braune
- Jakob Ström
- Susan Elden
- Naomi Dumbrell
- Lamia Badarous
- Sai Prasad
- Saad Omer
- Anne Marie Mbengue Seye
- Seth Berkley, Chief Executive Officer
- Alejandro Cravioto

Gavi Secretariat

- Anuradha Gupta
- Santiago Cornejo
- Joanne Goetz
- Kim Harper
- Brenda Killen
- Aurelia Nguyen
- Tanya Robinson

Regrets

- Vikas Sheel

Other Board members attending

- Anne Schuchat

Observers

- Stella Villares, Special Adviser to the Gavi Board Chair
- Oulech Taha, Special Advisor to the Francophone Africa Constituency
- Pratap Sahoo, Special Advisor to the SEARO Constituency
- Rolando Pinel, Special Advisor to the PAHO Constituency
- Ruzan Gyurjyan, Special Advisor to the EURO Constituency