



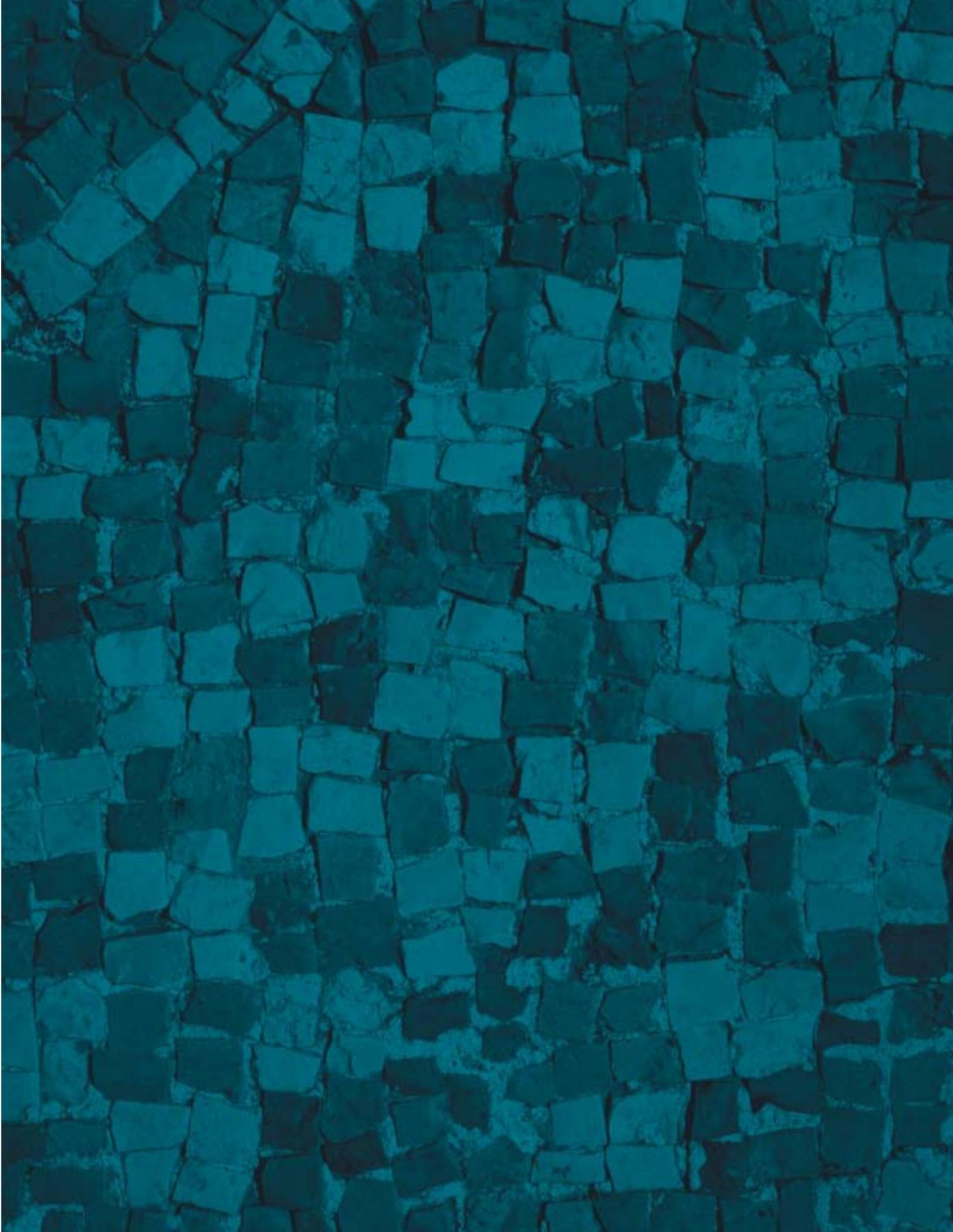
The Vaccine Fund

Every child. Everywhere.

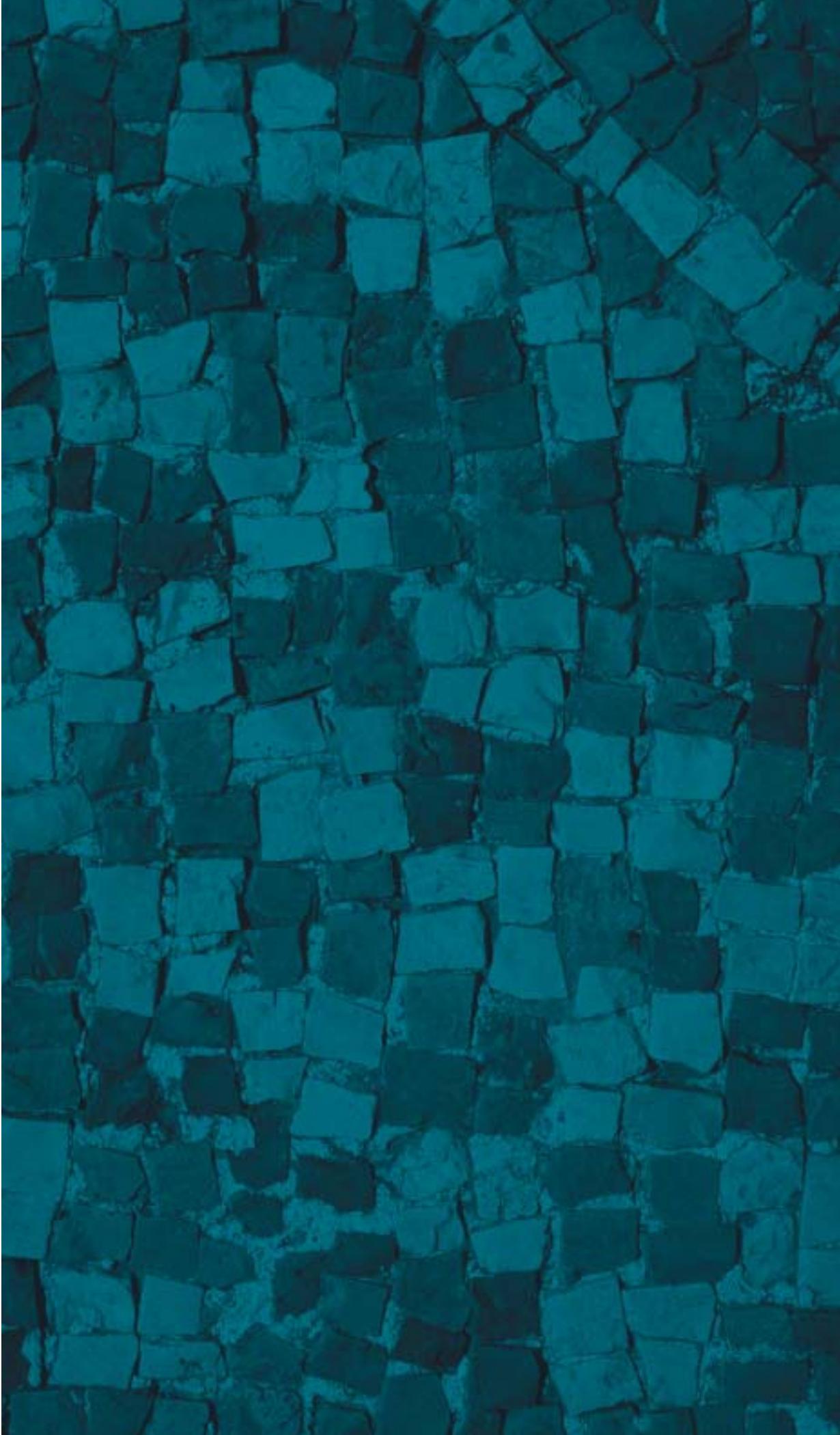
2002 ANNUAL REPORT



Partnering with GAVI









THE VACCINE FUND
ANNUAL REPORT
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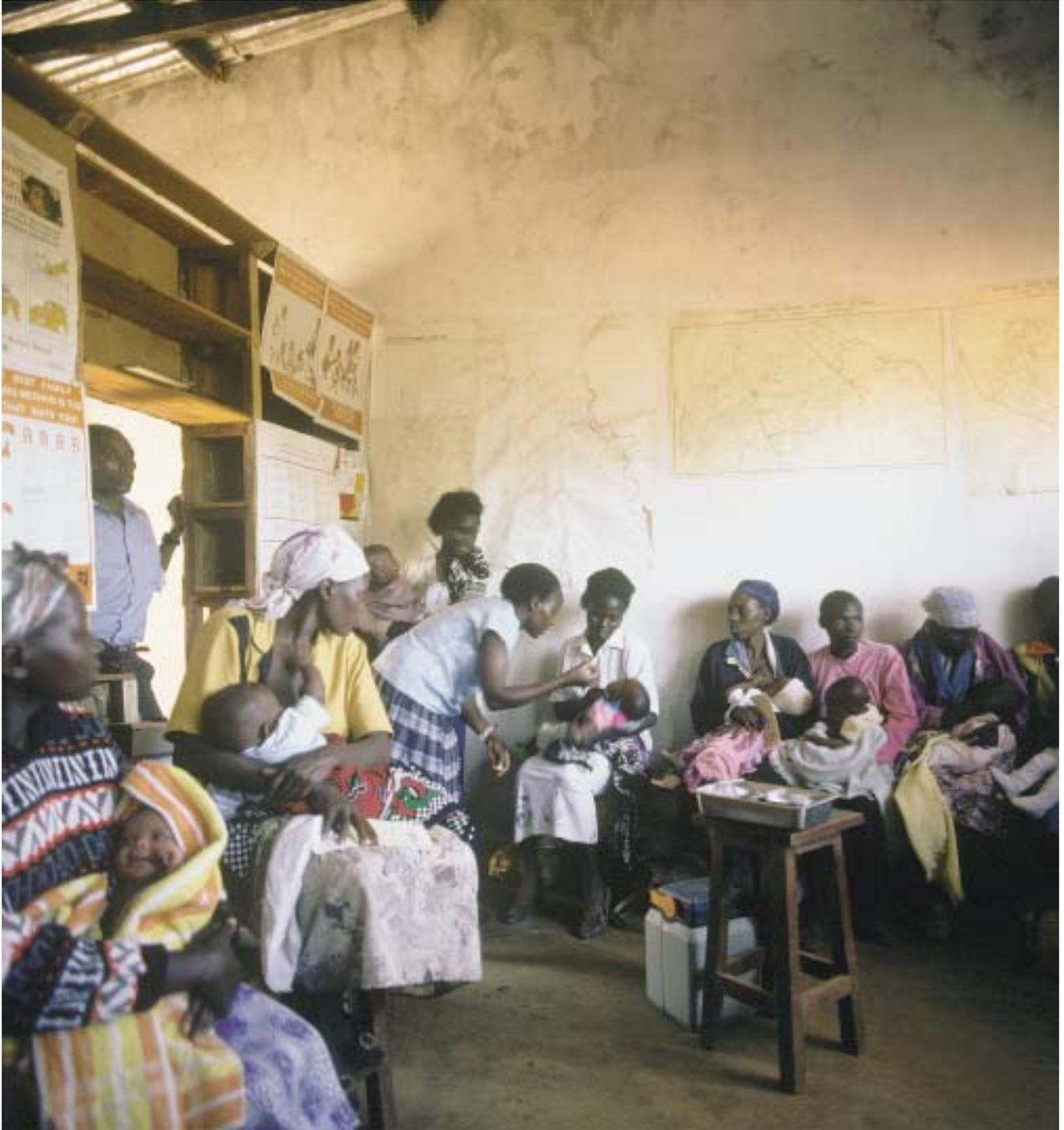


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LETTER FROM THE CHAIRMAN

DEAR FRIENDS:

Today, one quarter of the world's children remain vulnerable to common, preventable and often deadly infections, such as measles, meningitis, pneumonia, hepatitis, diphtheria, tetanus, and yellow fever – infections that will kill nearly three million of them every year.

Our global family lives on a planet without borders. So too winds the indiscriminate path of infectious disease: it knows no boundaries. A virus that begins in one corner of the planet, swiftly finds its way to every corner.

A world free of unnecessary disease would be a world more able to cope with the realities it cannot change. A world less burdened by preventable disease would be a world of more balance and greater opportunity for all. Because as a society we are only as strong as the sum of our parts, we all suffer loss when 25 percent of our global family is incapacitated, as it is today. We all lose because too many of our children will never have the opportunity to realize their talents, to share their unique gifts, to focus their courage, or to inspire their fellow citizens to shape a better world.

Immunization, a central pillar of primary public health care, is universally accessible in only some parts of the world. It is well past the time, for all of us who are fortunate, to re-commit ourselves unflinchingly to the task of ensuring that all of the world's children, no matter where they live, enjoy a healthy start in life.

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And so today, just three years after its founding, I am proud to report that The Vaccine Fund is working hard on behalf of those who have had little or no access to life-saving vaccines. The Vaccine Fund, with its steadfast partners – the Global Alliance for Vaccines and Immunization, GAVI¹ – is already making a difference in the lives of the world's poorest children and their families.

The Vaccine Fund, in partnership with the GAVI alliance, ensures that more and more children worldwide receive the 'basic six' vaccines against: diphtheria, pertussis, tetanus, measles, polio, and tuberculosis, as well as the 'new' and 'under-used' vaccines against hepatitis B and Hib disease,² as well as yellow fever. The Vaccine Fund also provides disposable syringes to thousands of health care workers to ensure that fewer children are not infected with re-used contaminated needles.

The Vaccine Fund and GAVI make a difference in the world by helping to build strong health care systems that deliver safe, routine health services. Every day, this unique partnership empowers the world's economically disadvantaged citizens by offering skills and incentives that allow each one of us to affect change in our own lives. And, one day in the not too distant future, the very systems that The Vaccine Fund and GAVI help to create will deliver a myriad of health care services, including eventually, a vaccine against HIV/AIDS.

The challenge is great but so are the rewards. Convinced that our business-like framework for action will continue to produce significant and tangible results, I ask you to join us in making immunization a right for every child, everywhere. We share a responsibility that would be unconscionable to neglect.

Nelson Mandela
*Chairman, Board of Directors
The Vaccine Fund*



LETTER FROM THE PRESIDENT

DEAR FRIENDS:

At the threshold of the 21st century, 8,000 children in the developing world die every day from diseases such as measles, meningitis and pertussis. These deaths could easily be prevented with simple, safe and effective vaccines that are routinely administered to children who live in industrialized nations.

Public health is one arena in which inequities need not exist. Today, The Vaccine Fund, in concert with our GAVI partners, is committed to ensuring the supply and delivery of basic vaccines for diseases — such as diphtheria, tetanus, pertussis, and measles, and new and under-used vaccines for infections such as hepatitis B, Hib disease and yellow fever — to infants in the world's poorest countries.

Yet we are doing more than simply ensuring that needed vaccines and safe injection materials are introduced and integrated into the overall health care systems of these countries. We are helping to plant the seeds of change by applying market-based strategies to the management of health care in financially-poor settings.

By building strong immunization services that include specific incentives and by helping ministries of health in these countries devise mid- to long-term strategic plans, The Vaccine Fund and GAVI are strengthening local capacity to manage scarce resources effectively and efficiently. Thus we strive to assist in a transformation of the traditional model of development aid to one of sustained self-reliance.

Although we have been in existence for only three years, much has been accomplished in this short time. Our success is tangible. By the close of calendar year 2002, working hand-in-hand with GAVI partners, The Vaccine Fund delivered cash, new and under-used vaccines and safe, disposable syringes to 55 of the world's poorest countries for a value of \$130 million. In short, The Vaccine Fund and the GAVI alliance made it possible to protect:

- 10.5 million children against hepatitis B with a 'new' vaccine — previously unavailable to poor countries — that will prevent as many as 90,000 premature deaths;
- 3.2 million children from *Hib*; and
- 600,000 children from death by yellow fever.

Together, we made five-year commitments worth more than \$900 million to a total of 64 countries.

It is so simple: vaccination offers the global community a high return on a small initial investment. For less than \$30, a child in the developing world can be fully immunized against all potentially life-threatening diseases. Nonetheless, many challenges remain. To continue our forward trajectory and to reach every child, everywhere, we will need to raise an additional \$150 million per year for the next six and one half years.

But for the heroic efforts of our partners, we would not be able to announce the remarkable progress that marks our efforts to date. I extend profound appreciation and deep thanks to each and every person in our Alliance whose unstinting commitment, drive and purpose pushed the wheel forward for so many thousands of the world's children. We invite you also to join us in this worthy enterprise.

Jacques-François Martin
President and Chief Executive Officer
The Vaccine Fund





“THIS IS A PROGRAMME
THAT’S DELIVERING.
A DONOR CAN SAY TO
HIS PEERS THAT THIS
MONEY IS BEING WELL
USED. OUR GOAL IS
TO HAVE A HEALTH
CARE CENTER WITHIN
FIVE KILOMETERS OF
EVERY VILLAGE.”

— PASCOAL MANUEL MOCUMBI
PRIME MINISTER
MOZAMBIQUE

THE VACCINE FUND AND GAVI – A UNIQUE PARTNERSHIP

Throughout the 1990s, infectious disease such as measles, pertussis and tetanus began to rebound in the world's poorest countries, ravaging populations and killing millions – primarily children – each year. In these impoverished countries, plummeting immunization rates caused additional stress to already fragile health care systems. Weakened further, many eventually collapsed.

Alarmed, the international community took action to rescue millions of children from an unnecessary fate. In 1999, worldwide organizations, such as UNICEF and WHO, that had long worked on immunization issues joined forces with others to establish the Global Alliance for Vaccines and Immunization – GAVI. It is a remarkable cooperative effort between private and public sectors founded to save children's lives and improve people's health through the widespread use of vaccines. This partnership of international organizations, national governments, pharmaceutical companies, research institutions, and philanthropy has one goal: to bring effective preventive healthcare to the world's most vulnerable population – its children.

An initial grant of \$750 million from the Bill & Melinda Gates Foundation established The Vaccine Fund specifically as the institution to help finance the GAVI alliance in achieving its objectives by mobilizing new resources and swiftly channeling them to

developing countries. The Vaccine Fund buys new vaccines to prevent the diseases that needlessly take the lives of children, and offers incentives to governments working with aid agencies to administer them in the developing world with new rigor and efficiency, according to entrepreneurial business principles.

The Vaccine Fund raises new resources from governments and the private sector that allow GAVI partners to complement existing health-care services in the developing world. Its goal is to enhance and strengthen current programs by bringing best business practices and market incentives to the field of health care. The Vaccine Fund strives to reinvigorate commitment to provide health care coverage for all children, especially those previously unreached.

MOBILIZING NEW RESOURCES FOR IMMUNIZATION

The primary mission of The Vaccine Fund is to raise new resources for immunization. To date, The Vaccine Fund has received contributions and commitments of \$400 million, primarily from donor governments, that is in addition to support from the Gates Foundation. This augments existing funding from governments and GAVI partners already provided for immunization efforts in developing countries. Therefore in total, The Vaccine Fund has channeled more than \$900 million in cash, vaccine doses and equipment to ensure safe injection practices directly to 64 participating countries.



MISSION STATEMENT

To mobilize resources for, champion, monitor the results of, and help sustain GAVI's program to protect the children of the world's poorest countries from vaccine-preventable disease.

At the same time, The Vaccine Fund aims to demonstrate to the pharmaceutical industry that there is a real and potentially profitable market for newer vaccines in low-income countries. The Vaccine Fund and GAVI have also succeeded in stimulating new interest in the use and manufacturing of vaccines. Today, the flow of resources and the establishment of reliable health care service delivery infrastructure are stimulating new investment and expanded research in the private sector.

As this transformation gains momentum, The Vaccine Fund will redouble its efforts to meet its four strategic objectives. In doing so, The Vaccine Fund will achieve its goal – that every child, everywhere has access to affordable, life-saving vaccines and preventive health care within this decade.

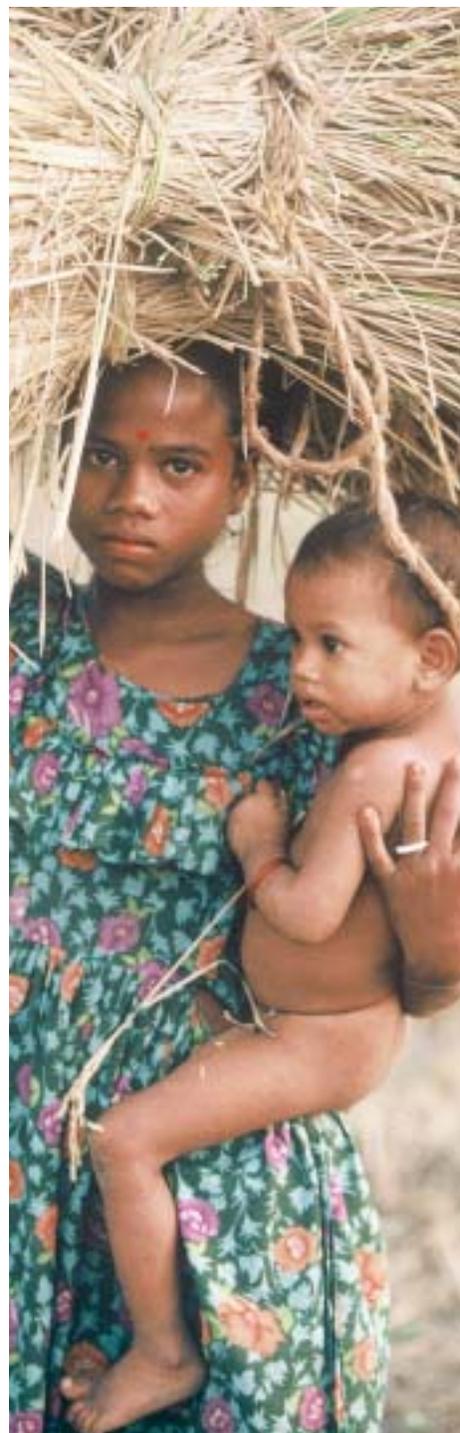
STRATEGIC OBJECTIVES

Mobilize resources to achieve immunization sufficiency and sustainability.

Ensure with GAVI partners a secure supply of all relevant vaccines that are accessible to all target countries.

Achieve recognition of and support for The Vaccine Fund's mission so as to maximize the value of its brand.

Manage The Vaccine Fund for efficiency and accountability for results.



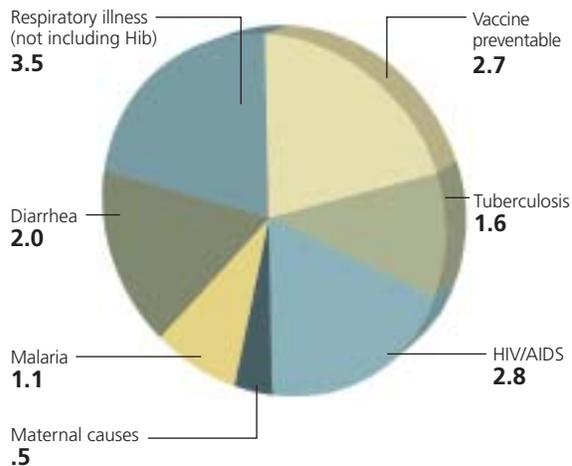
G A V I G O A L S

The work of GAVI is organized around three central goals that reflect a commitment to help expand substantially the number of children immunized in the world's poorest countries by providing them with basic access to lifesaving vaccines. The Vaccine Fund was strategically designed as an institution to help finance GAVI partner activities in order to meet the goals below:

- | | |
|--|---|
| <p>1. Increase coverage — boost the number of children whose lives can be saved with the remarkably effective tool of vaccination.</p> | <p>Focus on improving the ability of local health facilities to deliver essential health services including immunization.</p> |
| <p>2. Shorten the time span between registration of a vaccine product in the marketplace and its full-scale use in the developing world.</p> | <p>Focus on new vaccines for hepatitis B and <i>Haemophilus influenzae</i> type b – and an under-used vaccine for yellow fever.</p> |
| <p>3. Accelerate the development and introduction of new vaccines.</p> | <p>Focus on near-term vaccines to combat childhood diseases such as rotavirus, pneumonia, and meningitis type A.</p> |

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Annual deaths from infectious diseases
(in millions)



14 million deaths per year

Including 2.7 million deaths that could be prevented:

Hepatitis B	900,000
Measles	800,000
Hib	400,000
Tetanus	300,000
Pertussis	300,000
Other	50,000

G A V I M I L E S T O N E S

The partners focus their efforts on achieving quantifiable milestones on the way to realizing the overarching goal of equal access to all necessary vaccines. GAVI partners will continue to amend the milestones, as new challenges emerge.

- In 2002, 80 percent of all countries with adequate delivery systems introduced the hepatitis B vaccine. By 2007, all remaining countries will have done so.
- By 2005, 80 percent of developing countries will have routine immunization coverage of at least 80 percent in all districts.
- By 2005, 50 percent of the poorest countries with high disease burdens and adequate delivery systems will have introduced the *Haemophilus influenzae* type b vaccine.
- By 2005, the world will be certified polio-free.
- By 2005, the efficacy of rotavirus and pneumococcal vaccines will be known, the burden of disease will be reduced for all regions, and mechanisms will be identified to make these vaccines available to the poorest countries.



MOBILIZING RESOURCES TO EXPAND CHILDHOOD IMMUNIZATION SERVICES

In 2000, the first year of the Alliance, GAVI invited 74 countries with less than \$1,000 per capita annual gross domestic product to submit proposals for financing of expanded immunization programs.³ This was a period of preparation, as GAVI partners developed new funding strategies and policies as well as systems to support immunization efforts in these countries that would permit the introduction of new vaccines. After reviewing proposals, The Vaccine Fund and GAVI made their first five-year commitment of \$300 million to a total of 21 countries.

In 2001, 32 additional countries satisfied the requirements for funding support from The Vaccine Fund. Five-year commitments rose to \$800 million, disbursed to a total of 53 countries.

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During 2002, more than \$100 million in vaccines, cash and other resources, from The Vaccine Fund and directly from other partners, was delivered to eligible countries. Nearly 90 percent of these countries received commitments from GAVI and The Vaccine Fund – a brisk pace for such a new international aid program. Five-year commitments to 64 countries now exceed \$900 million.

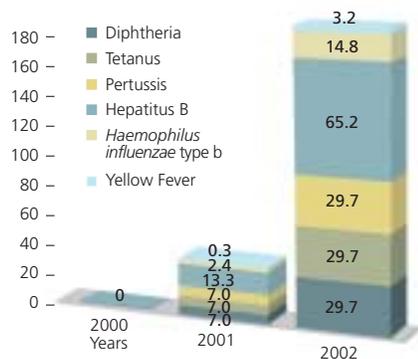
Today, with support from The Vaccine Fund and GAVI, 33 additional countries in the developing world are able to protect their children against hepatitis B; seven coun-

tries provide vaccine protection against *Haemophilus influenzae* type b; and another seven provide yellow fever vaccination.

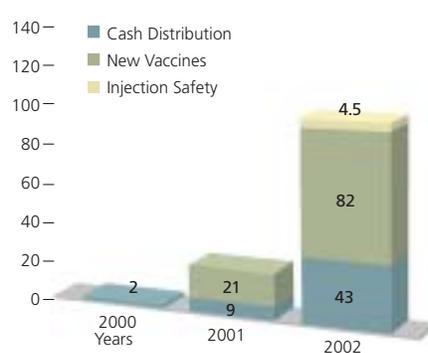
By the close of 2002, in spite of delays in setting up financial mechanisms, 50 countries received monetary support to improve the infrastructure of local health care services. The tally for cumulative expenditures through 2002 for vaccines, supplies and cash support came to \$130 million.

While substantial support from GAVI and The Vaccine Fund helped produce much progress in recipient countries, challenges arose. Due to short vaccine supplies, a number of countries experienced delays in the receipt and introduction of the new, multivalent vaccines – which protect children against several diseases with a single shot. Furthermore, in other countries various programmatic challenges such as ensuring safe injections, waste disposal, record keeping, inventory control, and refrigeration and vehicle maintenance delayed the process.

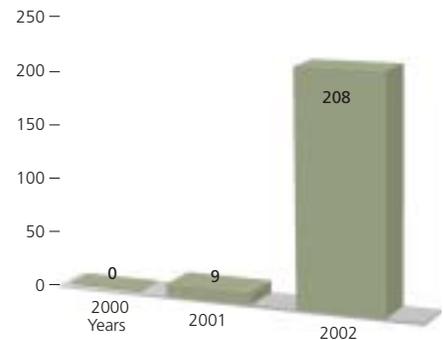
Cumulative number of antigen doses delivered to countries by The Vaccine Fund/GAVI through 2002
(doses in millions)



Cumulative value of total The Vaccine Fund/GAVI disbursements by 31 December 2002
(U.S. dollars in millions)



Cumulative number of safety syringes delivered
(in millions)



Attention to these issues not only leads to improved immunization services, but also to enhanced local preventive health care – which means improved global health care.

Thanks to The Vaccine Fund and GAVI partners, 10.5 million children have already been protected against hepatitis B – and more than 90,000 lives will be saved with that single vaccine. In addition, 3.2 million children have been protected against *Haemophilus influenzae* type b, and 600,000 children have been protected against yellow fever. Again thanks to the hard work of Alliance members, more than 100,000 premature deaths have been averted.⁴

SINCE THE ESTABLISHMENT OF
THE VACCINE FUND AND GAVI,
10.5 MILLION MORE CHILDREN HAVE
BEEN PROTECTED AGAINST
HEPATITIS B, PREVENTING THE
PREMATURE DEATHS OF MORE THAN
90,000 PEOPLE.



ENSURING ACCOUNTABILITY

In just three years, The Vaccine Fund and GAVI have adopted result-oriented, market-based strategies to address the global health concern of rising vaccine-preventable disease and they have persuaded national governments in the developing world to do the same. In order to qualify for assistance, countries must develop strong coordination with local partners, prepare multi-year plans to improve their healthcare systems and related financing and, most importantly, establish a system to measure and verify progress. Three essential components underpin this approach: cooperation, strategic planning and quantifiable results.

Furthermore, partners such as the World Health Organization (WHO), UNICEF, the U.S. Centers for Disease Control and Prevention (CDC) and the Children's Vaccines Program at the Program for Appropriate Technology for Health (PATH), have realigned their programming to respond more rapidly and effectively to the needs of a particular country. Donor-partners – such as bilateral aid agencies in Canada, Japan, the Netherlands, Norway, the United Kingdom and the United States and local offices of WHO and UNICEF – have also increased their support to national health programs associated with these immunization efforts.

70% of the world's children live in the 75 poorest countries

75 countries with an annual gross national product of less than US \$1000 per capita qualify to submit proposals for funding from GAVI and The Vaccine Fund

- Afghanistan
- Albania
- Angola
- Armenia
- Azerbaijan
- Bangladesh
- Benin
- Bhutan
- Bolivia
- Bosnia & Herzegovina
- Burkina Faso
- Burundi
- Cambodia
- Cameroon
- Central African Republic
- Chad
- China
- Comoros
- Congo, Dem. Republic
- Congo, Republic
- Côte d'Ivoire
- Cuba
- Djibouti
- East Timor
- Eritrea
- Ethiopia
- Gambia
- Georgia
- Ghana
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Honduras
- India
- Indonesia
- Kenya
- Kyrgyz Republic
- Laos
- Lesotho
- Liberia
- Madagascar
- Malawi
- Mali
- Mauritania
- Moldova
- Mongolia
- Mozambique
- Myanmar
- Nepal
- Niger
- Nigeria
- Nicaragua
- North Korea
- Pakistan
- Papua New Guinea
- Rwanda
- São Tomé
- Senegal
- Sierra Leone
- Solomon Islands
- Somalia
- Sri Lanka
- Sudan
- Tajikistan
- Tanzania
- Togo
- Turkmenistan
- Ukraine
- Uganda
- Uzbekistan
- Vietnam
- Yemen
- Zambia
- Zimbabwe

Atlantic Ocean

Pacific Ocean

- BOSNIA & HERZEGOVINA
- MAURITANIA
- SENEGAL
- GAMBIA
- GUINEA BISSAU
- GUINEA
- SIERRA LEONE
- LIBERIA
- CÔTE D'IVOIRE
- BURKINA FASO
- GHANA
- TOGO
- SÃO TOMÉ
- MALI
- BENIN
- NIGERIA
- CAMEROON
- CONGO, CENTRAL AFRICAN REP.

- CUBA
- HAITI
- HONDURAS
- NICARAGUA
- GUYANA
- BOLIVIA

“ PROVIDING BASIC HEALTH CARE
WILL PAY SUBSTANTIAL DIVIDENDS 20 YEARS FROM NOW
IN THE FORM OF HEALTHIER,
MORE ECONOMICALLY INDEPENDENT SOCIETIES. ”

— BILL GATES

THE VACCINE FUND AND GAVI BUILD
SUSTAINABLE HEALTHCARE SYSTEMS
AROUND THE WORLD:
COUNTRY SNAPSHOTS

Cambodia

16 **C**ambodia, with a population of only 13 million, loses too many children to preventable disease. Infant mortality is very high: 95 babies or toddlers die for every 1,000 births. However, despite weaknesses in the economy and significant decreases in foreign investment since the Asian financial crisis of 1997, the Cambodian

government is committed to increased investment in social sectors, notably in the field of health. Today, Cambodia is among the first 12 countries in the GAVI alliance to submit its long-term financial plan for sustainable immunization to the GAVI Secretariat.

Since 1999, average annual increases in expenditures by the Cambodian Ministry of Health stand at 30 percent. The health sector has undergone substantial development and reform in three main areas: organizational management, finance and budgeting, and human resources development. Recognizing the limitations of local and national capacity, the Cambodian government seeks to:

- increase international financial contributions to its immunization efforts;
- augment its own allocation of funds for national immunization programs;
- improve public awareness with respect to the importance of immunization;
- boost the number of children served at outreach vaccination sessions.



Mobile teams help to bring health care and immunizations to outlying communities and serve as the primary delivery mechanism for vaccines. Because the health care infrastructure is so new, it will take time to affect a transition from mobile teams operating in field settings, to fixed, nationally-run services, delivered in clinics. In the meantime, outreach services are crucial as they represent the core of routine service delivery among villagers whose medical needs are addressed by local volunteers, traditional birth attendants, and local political leaders.

Health care staff rely on user fees to supplement low wages. Since immunization is free there has been traditionally little incentive in promoting it as a health care priority. Today, salary increases motivate workers to improve vaccination rates and motorbikes enable health workers to travel within villages more easily, reaching more children in remote areas.

As the government's disbursement of cash tends to be slow during the first half of each year due to budgetary factors, many clinics are not able to cover basic operating costs. Such unpredictable delays in the allocation of government funding can be disruptive to the delivery of vital immunization services.

Challenges remain, and although Cambodia has set a broad agenda of reform, progress is slow. Better coordination among donors helps to resolve many technical

and programmatic issues but has to yet address the challenges associated with managing the financial components of decentralized health care. Because some donors, such as Australia and Japan, operate on budget cycles of two to three years, their funding commitments are confirmed in advance. But, other donors work within shorter time intervals which inhibit long-term planning.

Finally, despite increases in total funding over the last two to three years, the number of children immunized has not increased proportionately. However, as the development of Cambodia's health care infrastructure continues, immunization rates should, in the near future, improve.

China

In a groundbreaking move, China signed an agreement with GAVI and The Vaccine Fund,



pledging to match \$37.5 million in funding from The Vaccine Fund to vaccinate Chinese infants against hepatitis B, marking the country's long-term commitment to this endeavor.

The statistics are grim: two-thirds of the people in the world infected with hepatitis B live in China, where the re-use of contaminated needles and syringes is its leading cause. Every year, as many as 280,000 Chinese people die from liver cancer and other liver ailments associated with this disease.

The Vaccine Fund grant raises the profile of China's hepatitis B program and accelerates the introduction of 500 million disposable syringes into its nation-wide immunization program. This in turn stimulates new domestic production of disposable syringes that permit 'one-time' use only, and significantly decreases the risk of contaminating patients with HIV and hepatitis B.

Following a five-year period of support from The Vaccine Fund and GAVI, China will assume all program costs and provide the hepatitis B vaccine free of charge to all infants, including those born in China's poorer rural provinces. Thus, over the next five years, as a result of this unique funding arrangement, more than 35 million Chinese babies will be immunized against hepatitis B.

An additional \$800,000 grant from The Vaccine Fund to the Chinese government underwrites a project office dedicated to program management and training. The functions of this office make it possible to realize a critical mission of the partnership: to build sustainable immunization programs and ensure the long-term delivery of vaccines and immunization services.

EACH YEAR, UNSAFE INJECTIONS ARE RESPONSIBLE FOR 8 MILLION TO 16 MILLION HEPATITIS B INFECTIONS, 2.3 MILLION TO 44.5 MILLION HEPATITIS C INFECTIONS, AND 75,000-150,000 HIV/AIDS INFECTIONS.

Ghana

In Ghana, The Vaccine Fund and GAVI partners, working with Olympic Aid and Ghana's Ministry of Health, launched a campaign to immunize children with new vaccines and galvanized the country's political commitment to immunization as a health-care priority. Olympic Aid – known today as "Right to Play" – is an organization founded in 1992 by the Lillehammer Olympic Committee and led by four-time Olympic speed skating gold medalist, Johann Koss. Kicking off a national day of sport to mobilize immunization efforts across Ghana, this festival, held in the capital city of Accra, featured the country's new immunization plan and launched its pentavalent vaccination program.

At this first-time event, 2,636 infants received one dose of the pentavalent vaccination, a series of three shots, and thousands more enjoyed a day of fun and sport. A follow-up study, conducted by the Ghanaian Ministry of Health and The Vaccine Fund, revealed that 31.7 percent of the children attending the festival were immunized for the first time with the DTP-hepatitis B-*Haemophilus influenzae* type b vaccine. Of the children who received their first doses of this pentavalent vaccine, 93.5 percent completed the series, compared to a 30 percent attrition rate associated with older vaccine programs that use monovalent vaccines, and therefore require more clinic visits to complete a full course of immunization. Other follow-up activities included the training of health staff, additional radio and television programs to educate the public, and ongoing site supervision.

Ghana has used its cash disbursements from The Vaccine Fund, among other activities, to computerize its health care facilities to improve record keeping. At low-performing sites, incentives have been put in place. The introduction of the new, pentavalent vaccines has allowed a broad-based, technical review of the knowledge and skills of health care workers.

In addition, Ghana has become the first country to undertake its own long-term immunization plans that phase in local funding as The Vaccine Fund's support diminishes. Ghana pursued this option after working on its financial sustainability plan, recognizing that commitment of its own funding would extend the length of support from GAVI and The Vaccine Fund, and could encourage other funders to help the country maintain its vaccine program.

Kenya

Kenya is one of the first 12 countries to submit its long-term plan for financial sustainability to GAVI, reflecting a national commitment to health as an investment priority. In Kenya, the minister of health implemented GAVI's performance-based approach in local districts using resources from The Vaccine Fund to distribute checks to every

district medical officer, based on the districts' immunization rates, promising additional funds when immunization rates rise. The long-term impact of this strategy is not yet known. Nevertheless, Kenya has created a decentralized, performance-based payment system that bypasses usually back-logged government channels, and suggests a possible framework for future international health care programs.

Data quality audits have motivated workers to streamline the management of district health offices. Today, record keeping is more systematic and health care providers employ new tools to improve performance by tracking outstanding issues, regularizing supervisory visits and posting reports publicly.





Rwanda

Rwanda has one of the world's highest rates of infant mortality: 107 children out of every 1,000 die after reaching their first birthdays. A difficult national economic situation – the result of a challenging global marketplace where falling coffee prices mean a lower gross national product and a decline in agricultural production, only compounded by the devastating genocide of 1994 – define the environment in which Rwanda must build its health care system.

Nevertheless, as a signatory to the Dakar Declaration on Financial Sustainability, Rwanda has made the battle against childhood disease one of its priorities, with a particular emphasis on prevention. It is one of the first 12 countries in the GAVI alliance to submit to the Secretariat its long-term plan for sustainability. Since 1995, the country's leadership has been a proponent of immunization as a vital component of national health policy. Rwanda currently seeks to diversify sources of funding for immunization beyond that of The Vaccine Fund by expanding contributions from its ministry of finance as well as bilateral donors.

A vibrant national immunization effort is propelled by the wise, de-centralized use of resources. Strategies are in place to buttress vaccination services and minimize attrition rates.

Measures taken to ensure the sustainability of the program include: a broad education program that informs a range of audiences about the efficacy of vaccination, from grassroots,

public information campaigns, to targeted briefings for opinion leaders and health officials at all levels of government; and educational seminars that support efforts to expand the knowledge of local health care workers.

Dynamic relationships with members of local inter-agency coordinating committees engage donors in medium to long-term planning. Such groups are encouraged to continually expand membership. Quarterly meetings ensure coordination among ministries to improve the allocation of resources as well as to manage and anticipate health care needs. At the administrative level, computer hardware has been updated to ensure accurate processing of data. De-centralized stock management is verified by annual inventories and outdated components of vital 'cold chain' equipment – refrigerators and freezers – have been upgraded. Local monitoring and supervision of activities at all levels guarantee high performance and maximize program benefits.

Tanzania

This is the second year in which Tanzania has exceeded its immunization targets in the administration of the combination vaccine – DTP-hepatitis B. Tanzania manages the expansion of its immunization program systematically. Poorly performing districts that nevertheless held latent promise were allocated Vaccine Fund resources to provide per diem payments to health care workers. In turn, the workers used the cash to buy bicycles and petrol, enabling them to reach more children in remote districts.

The immunization program in Tanzania is one of the first to benefit from debt relief. The national government invested \$1 million in its immunization program with funds re-cap-

tured by the Highly Indebted Poor Countries (HIPC) initiative.

Tajikistan

In Tajikistan, the local inter-agency coordinating committee, established in order to qualify for Vaccine Fund resources, now meets regularly and is a dynamic forum that grapples with long-term plans to rebuild the country's health care delivery system. The business-like GAVI framework has helped to energize a climate once dependent upon the old Soviet system and has ignited a new sense of enterprise and self-help.

In part, because of GAVI requirements, the country's health officials have taken critical steps to move from a ponderous, outdated model of vertical, centralized health care to a more flexible approach that responds to local realities. Extraneous immunization posts are being closed. The overarching health care delivery system is rationalized: a process of decentralization has begun in earnest.

“AN INVALUABLE CONTRIBUTION...TO THE COMMON SUCCESS OF EARLY CHILD HEALTH. WE HAVE A UNIQUE OPPORTUNITY TO IMPROVE NOT ONLY THE MODEL OF IMMUNIZATION MANAGEMENT AND ITS IMPLEMENTATION, BUT ALSO THE OVERALL MODEL OF HEALTH SYSTEMS.”

—DR. K.S. OLIMOVA, DEPUTY MINISTER OF HEALTH, TAJIKISTAN

PROMOTING LONG-TERM FINANCIAL PLANNING

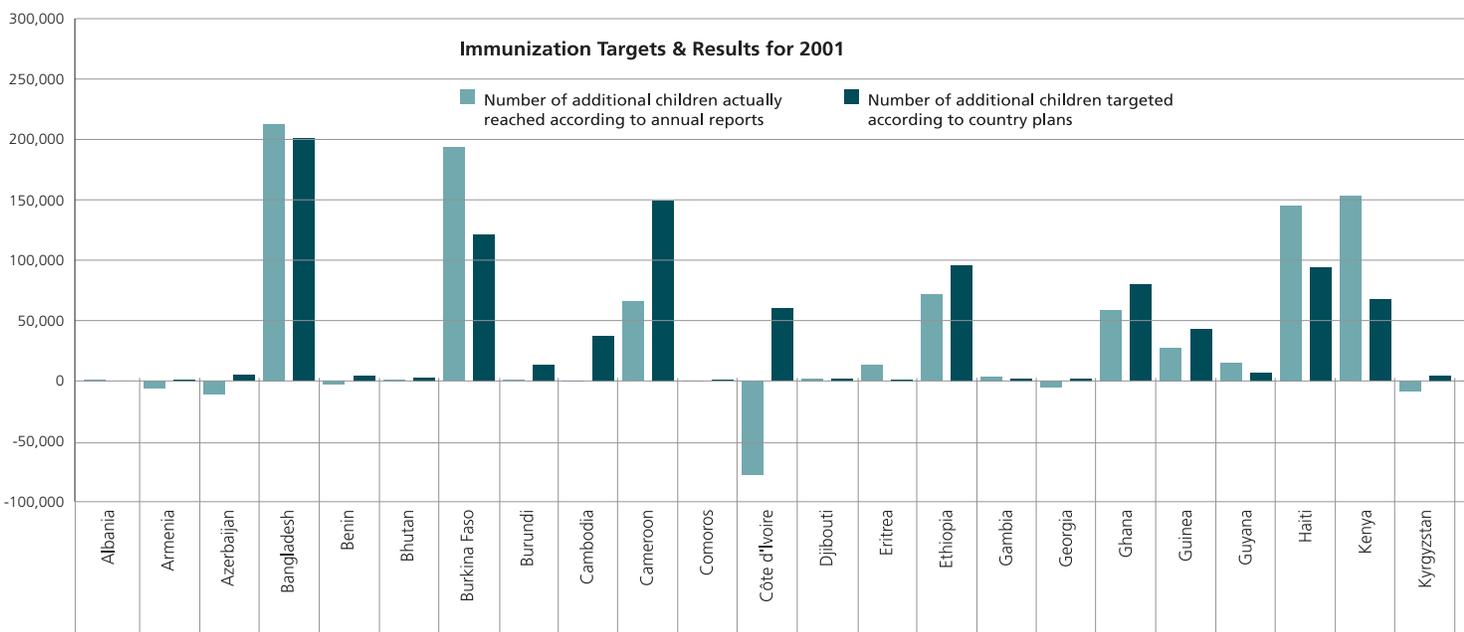
The Vaccine Fund and GAVI define sustainability as a shared responsibility between developing countries and their donor partners. Achieving financial sustainability is a process – not an event – and supporting it is central to the mission of The Vaccine Fund.

Together with The Vaccine Fund, GAVI partners support and encourage immunization efforts in the early phases of implementation. After a period of two years, continued support from The Vaccine Fund becomes contingent upon a country's submission of its own long-term financial plan. Independence from The Vaccine Fund requires a country to phase-in support from its national ministry of health and other local, as well as external, sources.

Today, The Vaccine Fund and GAVI engage ministers of health and finance in recipient countries in planning their own long-term, national strategies to sustain routine health care and improved immunization beyond five years of Vaccine Fund support. Long-term financial forecasts, planned budgets, and defined goals give health administrators, often for the first time, the opportunity to develop problem-solving skills that help them to clarify program costs and identify existing and potential sources of support. Framed within this context, it is likely that finance ministers will see the economic efficacy of improved routine health care and enhanced immunization programs, and that health care officials from national to local levels will gain access to the resources they need to do their jobs.

To this end, a November 2002 meeting of GAVI partners in Dakar, Senegal brought together leaders in global health from more than 60 of the 75 countries eligible for GAVI support, as well as health and finance ministers from more than 30. Agreeing that “immunization and the sustainability of immunization is a national priority, a global concern and a shared responsibility,” ministers from 13 countries in the GAVI alliance – Cambodia, Côte d'Ivoire, Ghana, Guyana, Kenya, The Kyrgyz Republic, Laos, Madagascar, Malawi, Mali, Mozambique, Rwanda, and Tanzania – endorsed the *Dakar Declaration on Financial Sustainability*. Twelve countries subsequently submitted financial sustainability plans to the GAVI Secretariat for review.

These plans depict each country's assessment of its financial needs for immunization in the medium-term and outline the ways in which new resources to finance these services will be



mobilized – nationally and internationally – as the five-year period of financing from The Vaccine Fund and GAVI concludes. As the Alliance assesses the feasibility of these national plans, full participation from all GAVI partners, especially members of regional working groups and inter-agency coordinating committees, will be essential to the development of durable strategies to sustain immunization services over the long-term.

MEASURING RESULTS: PERFORMANCE-BASED GRANTS

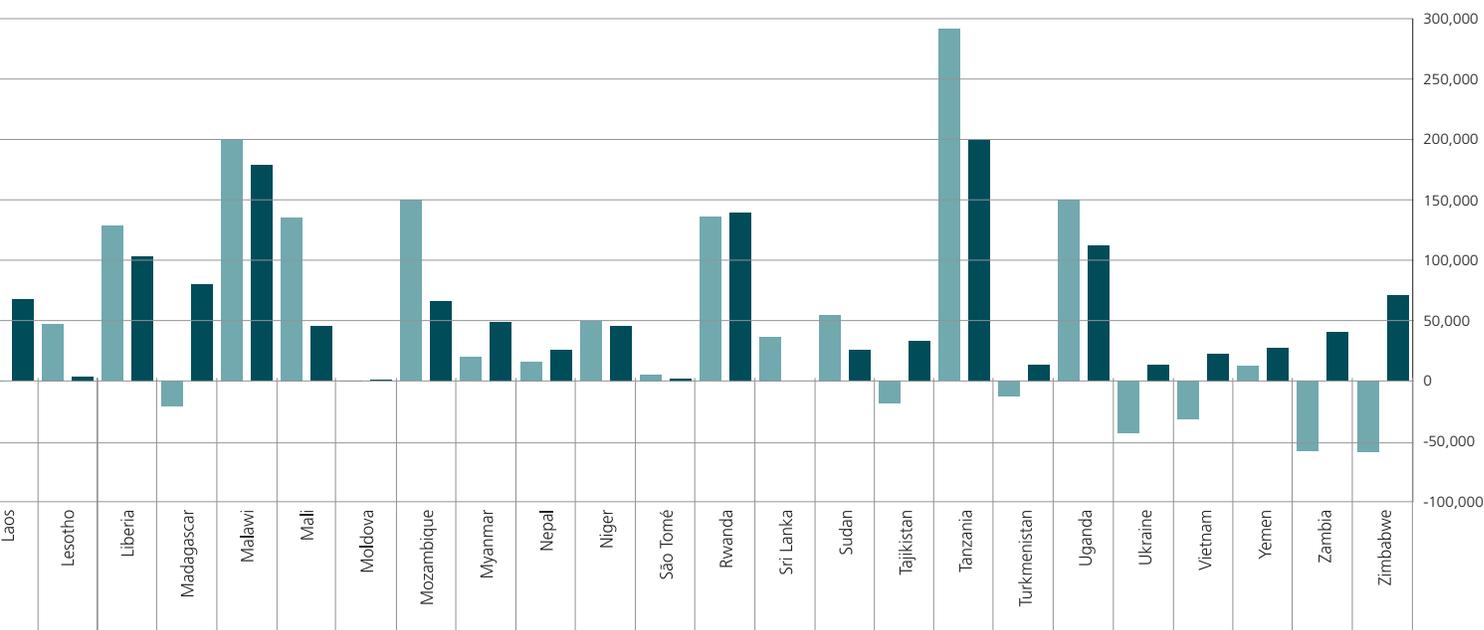
Under guidelines established by The Vaccine Fund and GAVI, financial support for the improvement of health care services and infrastructure is unrestricted. Participating countries use the funds according to work plans and goals established locally. The Vaccine Fund invests \$20 for each child identified to be immunized according to the country's adjusted recorded immunization baseline. This investment is paid in several installments. Upon realizing its immunization targets, each country is then compensated another \$20 per child, for every additional child who has been newly immunized.

Measuring impact requires assurance that the data provided are sound. Employing a newly developed management tool called 'data quality audits,' GAVI partners evaluate the data received. Described simply, external audit teams that include local staff of two of the world's leading accounting firms, Deloitte&Touche and PricewaterhouseCoopers, examine health center records and compare them to reports sent to district and national offices, verifying their accuracy.

This method is often difficult to implement. In many countries accurate reporting systems do not yet exist. In 2001, six countries were audited and only one country was found to have an adequate system in place. As a result, the reward program was postponed until 2003. In the meantime, The Vaccine Fund and GAVI have increased their investment in these countries. In 2002, six countries out of a total 12 audited were found to have adequate systems.

Although these audits in no way offer the only standard of measurement, they nonetheless provide a useful tool that improves the management of health information systems and helps to enhance the skills of workers in local health agencies.

During 2003, when the reward scheme is implemented and countries are paid according to the increase in numbers of children immunized, The Vaccine Fund and its GAVI partners will revisit the process and adjust as needed.



PHARMACEUTICAL INDUSTRY BREAKS NEW GROUND: DEVELOPS AND SUPPLIES AFFORDABLE VACCINES TO LOW-INCOME COUNTRIES

Background, 2000 - 2001

As The Vaccine Fund and the GAVI alliance undertook a first round of vaccine procurement in order to introduce new vaccines such as hepatitis B and *Haemophilus influenzae* type b to the developing world, they gained vital experience. However, issues in the procurement process became evident in areas such as:

- program management within the Alliance;
- forecasting accurately the need for specific products; and
- communicating realistic demand to suppliers.

Some challenges were a result of an ambitious timetable the Alliance set for itself as it initiated its work in late 1999, while others underscored a need for closer coordination among partners. Effective coordination becomes even more critical when distributing new, sophisticated, and less available combination vaccines to the developing world – which the Alliance now recommends – because of the unparalleled efficacy of these drugs in combating childhood disease.

Lessons from the first round of procurement compelled the Alliance to establish an inter-disciplinary group to improve the availability and timely distribution of vaccines and related supplies to recipient countries.

The Vaccine Procurement Project

In June 2002, GAVI and The Vaccine Fund established the Vaccine Procurement Project, from which a core project team was drawn. The team includes representatives from WHO, UNICEF, and The Vaccine Fund, who are designated to address issues related to program, supply, and finance in keeping with their individual areas of professional expertise. The team is structured according to private sector management principles to assure best business practices. A single project manager ensures close coordination among partners and is accountable to this small, multi-disciplinary oversight body.

The procurement round currently underway for 2004-2006 is driven by a refined, product driven methodology. Equipped with an improved capacity to forecast vaccine needs, the procurement team will be better informed in its discussions with suppliers, permitting long-term purchase commitments when appropriate.

Although it is early, initial responses from the Alliance and key suppliers have been positive. The efforts of this group build upon the earlier achievements of the Alliance and already demonstrate an improved supply and reduced price for combination vaccines. In the time period spanning 2002-2003, a total of 41 million doses of DTP-hepatitis B and DTP-hepatitis B-*Haemophilus influenzae* type b were made available for delivery to low-income countries – where previous use had been negligible.

Moreover, successful negotiations with the pharmaceutical industry have resulted in reduced vaccine prices. The Vaccine Fund and GAVI were able to purchase the DTP-hepatitis B-*Haemophilus influenzae* type b combination vaccine for less than half the average price for which the monovalent vaccine, *Haemophilus influenzae* type b, is sold in industrialized countries.

Finally, the efforts of GAVI and The Vaccine Fund have also encouraged new suppliers of combination vaccines to enter the market. Two multinational vaccine companies, Chiron and Berna Biotech, have engaged in collaborative arrangements with manufacturers in developing countries to produce DTP-hepatitis B and

DTP-hepatitis B-*Haemophilus influenzae* type b vaccines for low-income country markets. And producers in developing countries, such as India's Serum Institute, are in the process of developing a DTP-hepatitis B vaccine. As this trend continues, further improvements in price and supply become possible.

“INDUSTRY NEEDS CREDIBLE MULTI-YEAR PLANS FROM THE PUBLIC SECTOR BEFORE IT CAN INVEST IN PRODUCING VACCINES. DONOR COMMITMENTS NEED TO TAKE ACCOUNT OF THIS.”

—DR TORE GODAL, GAVI SECRETARIAT

GLOBAL VENUES EMPHASIZE IMMUNIZATION AS POWERFUL DEVELOPMENT TOOL

**Financing Vaccination for EVERY Child
Cape Town, South Africa**

In Cape Town, South Africa, the Honorable Nelson Mandela, chairman of The Vaccine Fund board of directors, welcomed world leaders to a two-day global conference *Financing Vaccination for EVERY Child*. At this April 2002 conference, in an official call to action, these leaders defined an agenda to accelerate childhood immunization efforts against communicable diseases in the world's poorest countries and to galvanize the world community in this effort.

Joined by ministers of health and finance and their representatives from 15 countries, the conferees focused on strategies to build durable immunization programs. These programs promise to pave the way to improved, all-around health care and to combat a host of life-threatening infections such as diphtheria, hepatitis B, *Haemophilus influenzae* type b – which can cause meningitis and pneumonia – measles, pertussis, tetanus, and tuberculosis. The stakes are high: more than three million lives could be saved each year were comprehensive immunization programs to be put in place globally.



Keynote speaker, Graça Machel, vice chair of The Vaccine Fund board of directors, was joined by panelists including the Honorable José Maria Figueres, former president of Costa Rica; Carol Bellamy, chair of the GAVI board and executive director of UNICEF; Dr. Seth Berkley, president of the International AIDS Vaccine Initiative; Jacques-François Martin, president and chief executive officer of The Vaccine Fund; and representatives of academe in Africa, Europe and the United States; the pharmaceutical industry; international financial institutions; global and regional non-governmental organizations; the philanthropic community; and internationally recognized management consultants.

Since 58 percent of deaths from infectious disease strike the poorest 20 percent of children in the world, most of whom live in sub-Saharan Africa, conferees emphasized that investment in children's health amounts to investment in the development and economic growth of these communities and nations.

The Salt Lake City Winter Olympic Games 2002

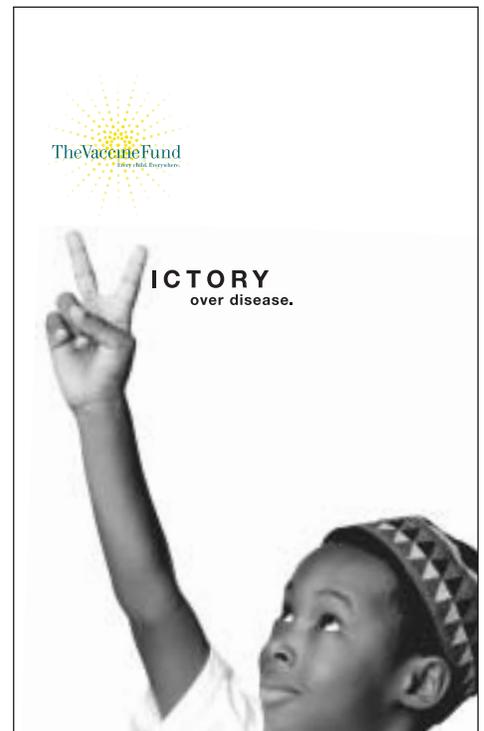
At the Salt Lake City Winter Olympic Games, The Vaccine Fund enlisted Olympic athletes to promote a public awareness campaign that stressed the importance of global immunization efforts.

In a novel partnership, The Vaccine Fund and Olympic Aid — the humanitarian organization founded in 1992 by the Lillehammer Olympic Committee and led by four-time Olympic speed skating gold medalist, Johann Koss — showcased Olympic athletes in public service announcements featuring the “Olympic Sport and Immunization Festival” in Accra, Ghana where for the first time a new “five-in-one” vaccine was made available to local children in that country.

The campaign, shown daily on giant screens at ten Olympic venues throughout the Salt Lake City Olympic complex, put a spotlight on the work of The Vaccine Fund and Olympic Aid with broadcasts of notable athletes such as figure skater Dorothy Hamill and the world's fastest female runner, Marion Jones.

The World Economic Forum 2002

The Vaccine Fund raised awareness among the world's leading economic and political decision-makers in New York City at the World Economic Forum. The venue of The Vaccine Fund's launch, announced by Bill Gates three years ago, again allowed spokespersons to depict immunization as a vital development intervention. Jacques-François Martin and Tore Godal represented The Vaccine Fund and GAVI and outlined the progress achieved by the Alliance, highlighting the need for donor countries to commit more resources to global immunization efforts. The Vaccine Fund also unveiled its global public awareness campaign featuring the universal hand sign for victory, made famous by Sir Winston Churchill.



BOARD MEMBERS FOCUS GLOBAL ATTENTION ON THE HEALTH OF CHILDREN IN THE DEVELOPING WORLD

In addition to assuming the fiduciary responsibilities associated with governance and oversight, members of the board of directors of The Vaccine Fund are also central to the organization's fundraising and advocacy efforts.

During 2002, members of the board were steadfast in demonstrating their commitment to promote childhood immunization as an effective investment in global health. Many called upon officials in offices of government and parliaments across Africa, Asia, Europe, and the United States. Many also attended and held private receptions in Amman, Dublin, Durbin, Geneva, Paris and New York. All worked tirelessly to raise funds.

Yet equally important were their efforts to raise awareness of the tremendous costs of not implementing immunization programs in low-income countries. A variety of public and private venues served as the backdrop for a series of successful events that gave greater prominence to these issues.

World renowned cellist Mstislav Rostropovich celebrated his 75th birthday with a concert in Baku, Azerbaijan, where he highlighted the work of The Vaccine Fund. An able and compelling spokesperson, he capitalizes on every opportunity to focus media attention on the critical importance of global immunization goals.

During the 2002 World Economic Forum, Her Majesty Queen Rania Al-Abdullah of Jordan spoke of the work of The Vaccine Fund and GAVI during interviews on *CNN* and other networks, and was featured in *The Washington Post*. She has co-authored opinion-editorials for the *International Herald Tribune* and *Earth Times* with fellow board members Jens Stoltenberg, former prime minister of Norway; George Wellde, a managing director of Goldman-Sachs; and Jacques-François Martin, president and chief executive officer of The Vaccine Fund.



SETTING AMBITIOUS GOALS: RAISING ADDITIONAL RESOURCES NEEDED TO IMMUNIZE THE WORLD'S POOREST CHILDREN

An essential component of The Vaccine Fund's mission is to mobilize resources. The Vaccine Fund relies substantially upon government contributions which build upon the generous gift of the Bill & Melinda Gates Foundation. The emphasis on public sector donations is important for two reasons.

New, large-scale financial commitments are necessary to build durable health care systems that effectively administer basic health services in the world's poorest countries.



By securing new resources from governments, The Vaccine Fund hopes to engage policy makers in sustained efforts to improve global health care programs. Supporters of global immunization efforts who work in government recognize that the expense associated with such programs is miniscule compared to the economic and societal price of losing so many of a country's most precious resource, its children.

In November 2000, Norway, the Netherlands, the United Kingdom and the United States made financial commitments to The Vaccine Fund. From 2000 to 2002, government pledges to The Vaccine Fund nearly doubled from \$203 million to more than \$398 million.

The successes and growth of The Vaccine Fund in 2001 continue to serve as a platform to increase funding levels from Canada, the United States and Europe, while establishing the groundwork for the future.

North America

In 2002, the United States appropriated \$53 million to The Vaccine Fund, a 10 percent increase over the prior year. In addition, both houses of the U.S. Congress appropriated \$60 million for 2003 and the United States Senate authorized \$70 million for 2004. In its second allocation to The Vaccine Fund, Canada agreed to increase its commitment from CA \$10 million over three years to CA \$30 million, as part of the *Canadian International Immunization Initiative*.

Asia

A groundbreaking partnership created in June 2002 among The Vaccine Fund, UNICEF and China to immunize Chinese babies against hepatitis B and establish a program office to monitor and oversee immunization efforts in China, spawned great interest among many Asian leaders and others in the work of The Vaccine Fund. In a program first, the government of China has agreed to match The Vaccine Fund contribution of \$37.5 million, bringing a total of \$75 million to national programs that will vaccinate Chinese infants against hepatitis B – a pervasive disease that afflicts too many in China.

The momentum generated by this historic agreement propelled further efforts to persuade Japan and Australia to maintain their bilateral support for current immunization activities in countries eligible for support from The Vaccine Fund.

Europe

In 2002, The Vaccine Fund continued to build on its advocacy efforts within the European Parliament and the European Commission. The Vaccine Fund formed a multi-party caucus initially consisting of 16 European parliamentarians representing a range of political views – Greens, Socialists, Christian Democrats and Liberals – who are advocates of The Vaccine Fund mission. The caucus tirelessly pursues support for The Vaccine Fund's primary goal: vaccination against all childhood diseases.

In parallel efforts, preliminary discussions have been held with the African, Caribbean and Pacific (ACP) countries to secure funding from the European Development Fund, in keeping with the framework of agreements between the European Union and the ACP.

The Vaccine Fund continues to create support networks across Europe – in Belgium, France, Germany, Ireland, Italy and throughout Scandinavia – and within the European Parliament. In 2002, numerous meetings were held in France at the highest political levels: at the presidency, in the office of the prime minister, the Ministry of Foreign Affairs and Cooperation, and in both houses of Parliament – raising awareness and funds simultaneously. Similar efforts have taken place in Belgium, Germany, Italy and Sweden.

Ireland joined the list of Vaccine Fund supporters and became its eighth donor country, committing an initial contribution of €500,000 for 2002. The Swedish government also committed an additional \$3 million to The Vaccine Fund in 2003, bringing its annual contribution to \$5 million.

The Vaccine Fund has worked diligently to inform and educate a broad audience. As a result of this groundwork, The Vaccine Fund can count a steadily increasing number of nations and world organizations as partners, assuring a solid foundation on which to build a world that provides preventive health care and necessary vaccines to every child, everywhere.

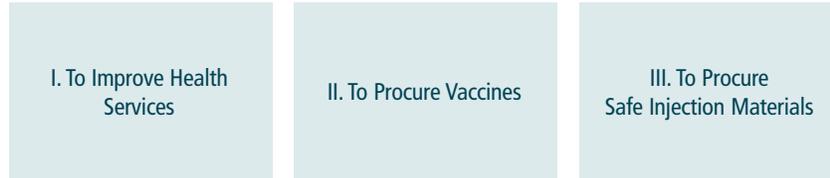
BASIC CONDITIONS FOR SUPPORT FROM THE VACCINE FUND AND GAVI

To establish eligibility to receive GAVI funds, each country must have an annual gross national product (GNP) per capita of less than \$1,000 and:

1. Apply as a government with the endorsement of the country's national Interagency Coordinating Committee – in the instance where one pre-exists – or in its absence, create a new such organization;
2. Provide a recent assessment of the national immunization system;
3. Establish a five-year immunization plan; and
4. Develop an injection safety plan to ensure that vaccines are administered under sterile conditions and that medical waste is disposed of responsibly.

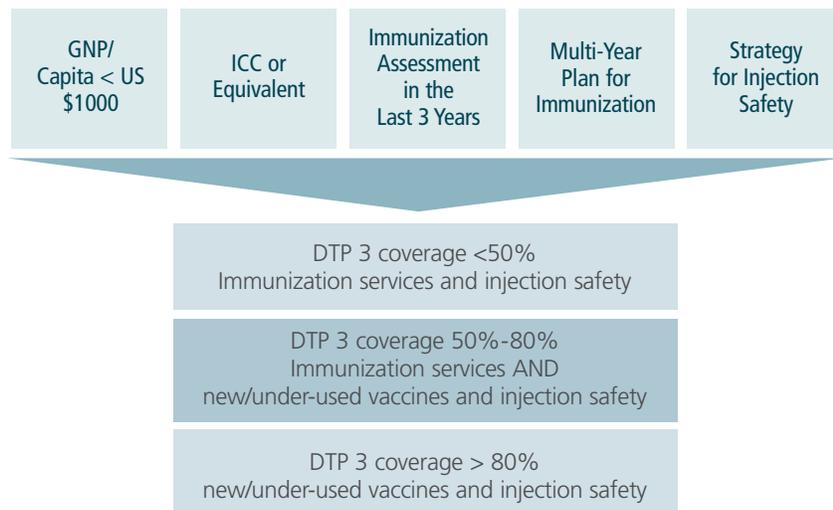


FUNDING REQUESTS FALL INTO THREE CATEGORIES

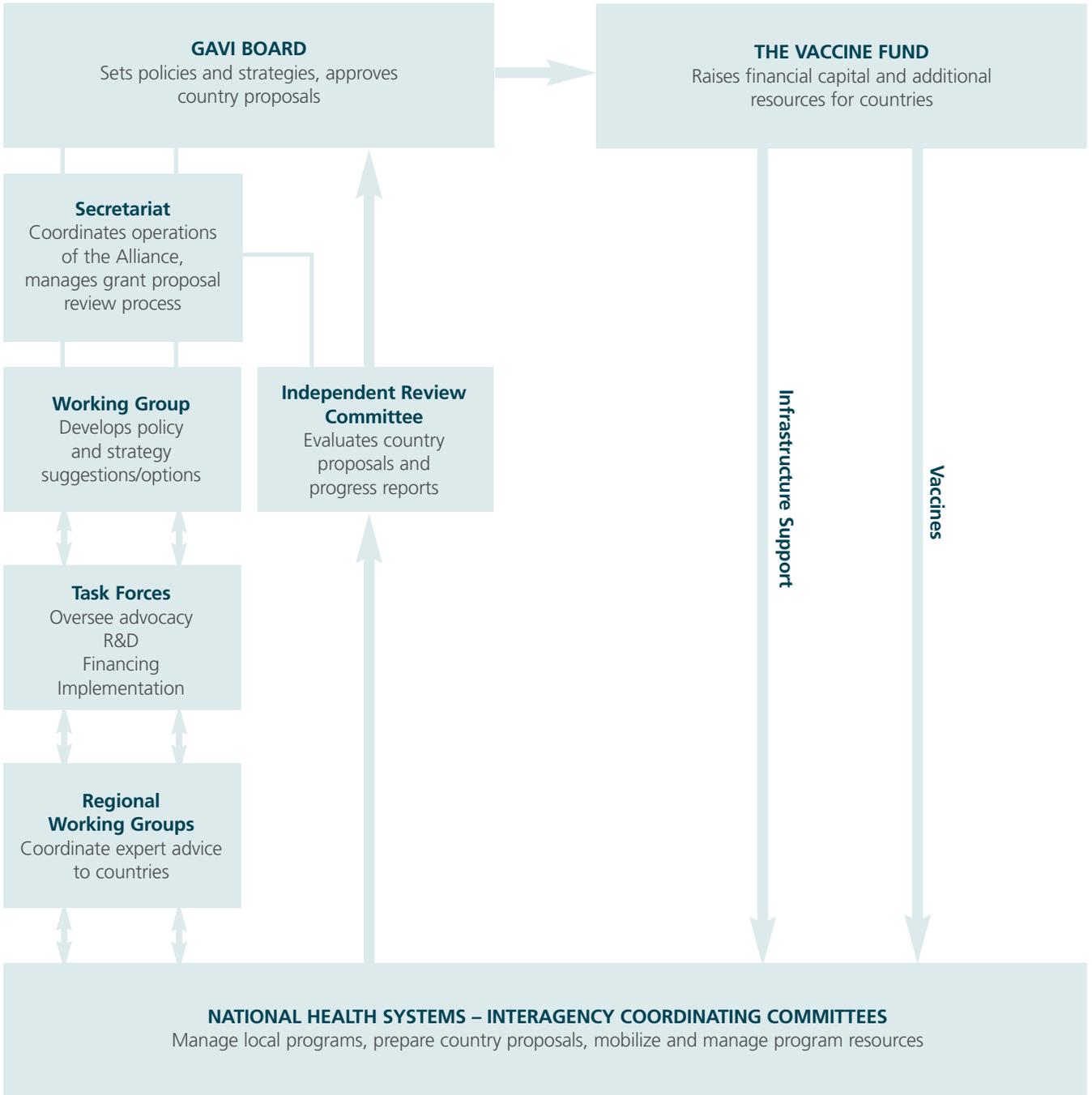


- Support packages are formulated based upon country proposals which are reviewed by an independent group of experts – most of whom are health officials from developing countries who provide peer review.
- Countries that immunize more than 80 percent of children against diphtheria, pertussis and tetanus – DTP3 – are eligible to receive new vaccines in addition to a modest implementation package.
- Countries that immunize between 50 percent and 80 percent of children are eligible to receive the above as well as financial support to expand immunization services.
- Countries with weak immunization services – where fewer than 50 percent of children are currently immunized with DTP3 – are eligible to receive financial support to expand immunization services. DTP3 coverage must reach 50 percent before such countries are eligible to receive new vaccines.

VACCINE FUND DISBURSEMENT CRITERIA: BASIC CONDITIONS FOR SUPPORT



HOW THE ALLIANCE WORKS



32

The Alliance allows greater efficiency and coordination of new and longstanding immunizations efforts among partners.

PARTNERS OF THE GAVI ALLIANCE

Governments in developing countries deliver immunization services to children through their national health systems. Government health ministries manage national coordination – usually through inter-agency coordinating committees, which have become essential to the work of GAVI.

Vaccine manufacturers in developing and industrialized countries produce vaccines at affordable prices for sale in the developing world. In 2000, a new GAVI-inspired network was formed to strengthen collaboration among vaccine manufacturers in developing countries. In developed countries, industry is represented by the International Federation of Pharmaceutical Manufacturer's Associations – GAVI partners since its inception. Current membership includes: Aventis-Pasteur, Berna Biotech, Chiron, GlaxoSmithKline, Merck and Wyeth. The development, manufacturing and marketing of vaccines to all countries of the world are core commitments of these member companies.

Governments in industrialized countries help to build political commitment and establish health as a priority for foreign assistance. Donor governments support countries in their efforts to improve health and immunization programs by participating in national coordinating groups and providing financial and/or technical support to health sectors and immunization programs.

The Bill & Melinda Gates Foundation invests in global health efforts especially in support of immunization, and helps to raise awareness of the value of immunization. The Foundation has committed more than \$1 billion to projects focused on the prevention and control of infectious disease. These grants help to build coalitions among scientists, universities, nongovernmental organizations and private industry to ensure that all children have access to vaccines and that new drugs, vaccines and diagnostics are developed and delivered.

Nongovernmental organizations – NGOs – have a long history of involvement in the field of child health and immunization. Some NGOs provide technical advice and staff to government programs while others provide financial support.

Public health and research institutions

provide policy recommendations on global immunization practices, act as reference laboratories for surveillance and quality control and provide technical staff for operations to help build capacity for research and development.

The World Bank Group works to improve financing to combat communicable diseases and increase immunization through more flexible use of International Development Assistance funds. Immunization is now a key health service indicator in the assessment of a country's eligibility for debt-relief under the Highly Indebted Poor Countries initiative.

UNICEF has been a significant actor in the global effort to protect the health of the world's children through routine immunization. *Immunization 'Plus'* is once again one of its organizational priorities. UNICEF hosts the GAVI Secretariat in Geneva, Switzerland, provides administrative support to The Vaccine Fund – disbursing Vaccine Fund/GAVI grants to countries – and procures vaccines and safe injection supplies on behalf of GAVI partners and The Vaccine Fund.

The World Health Organization, WHO, is the world's leader in global public health and provides technical expertise and strategic support to the Alliance. Furthermore, WHO staff in Geneva and in the field play a critical role in support of GAVI objectives.



BOARD OF DIRECTORS

The Vaccine Fund board of directors is responsible for promoting global awareness of the need to support expanded immunization goals throughout the developing world, as well as raising and disbursing the additional funds needed to support program objectives.

The Honorable Nelson Mandela

Chairman
South Africa

Graça Machel

Vice Chairman
South Africa

Patty Stonesifer

Chair, Executive Committee
Co-Chair and President
Bill & Melinda Gates Foundation
United States

Her Majesty Queen Rania Al-Abdullah

Jordan

Jacques Delors

Former President of European Commission
France

Tore Godal

Executive Secretary
GAVI Secretariat
Switzerland

Charles Lyons

President
US Fund for UNICEF
United States

Mary Robinson

Former President of Ireland

Maestro Mstislav Rostropovich

Cellist
France

Amartya Sen

Economist & Nobel Laureate
Cambridge University
United Kingdom

Jens Stoltenberg

Former Prime Minister of Norway

Lawrence H. Summers

President
Harvard University
United States

George Welde

Managing Director
Goldman Sachs
United States

Jacques-François Martin

President & CEO
The Vaccine Fund
France and United States

SENIOR STAFF

The Vaccine Fund acts as the “investment bank” for GAVI. Its small, professional staff based in Lyon, France and Washington, D.C., is specifically recruited from the fields of business, finance, government, information technology and marketing to raise and manage the financial assets of the Alliance, to serve as its interlocutor with the private sector – most notably the pharmaceutical industry – and to promote immunization as a cost-effective development mechanism.



Jacques-François Martin

President and Chief Executive Officer
Lyon, France

Fabian McKinnon

Executive Vice President/
Operations
Lyon, France

Alejandro J. Palacios

Executive Vice President/
Resource Mobilization
Lyon, France

Alice P. Albright

Vice President & Chief Financial Officer
Washington, DC
United States

Nancy Ives

Vice President/Communications
Washington, DC
United States

Barbara Kaltenbach

Vice President/Development
Washington, DC
United States

Dr Lomamy Shodu

Vice President/Program Management
Lyon, France

Dr Joris Vandeputte

Vice President/European Government Affairs
Lyon, France

GLOSSARY OF VACCINE PREVENTABLE INFECTIONS

The 'Basic Six' vaccines provide protection against the following infections:

Diphtheria is a bacterial infection caused by the organism *Corynebacterium diphtheriae*. The spread of infection requires close contact between people. A safe and effective vaccine has long been available. It is usually given together with vaccines for tetanus and pertussis in the triple vaccine known as DTP. A drop in vaccination rates in the former Soviet Union in the 1990s led to numerous diphtheria epidemics.

Measles is the leading cause of vaccine-preventable, childhood deaths worldwide, killing as many as 800,000 children each year. This is a highly contagious infection, spread by droplets, with an incubation period of seven to 18 days. A relatively inexpensive and effective vaccine exists, but its delivery poses challenges as it is only effective in older children.

Pertussis, or whooping cough, is spread by droplets and direct contact and is highly contagious. Each year, even with high vaccination rates using very safe and effective vaccines, as many as 300,000 people, mostly young infants, are killed by the disease, and at least 45 million suffer from the illness with prolonged and exhausting bouts of coughing that may last as long as three months.

Polio is a viral infection that can result in permanent paralysis. More than half of all cases afflict children who are less than three, but anyone can be affected. Immunization is the only way to prevent the disease which has no cure. Today, polio is within sight of eradication worldwide. Large parts of the world are polio-free, thanks to the steadfast efforts of the global public health community and private institutions.

Tetanus is caused by infection with a bacterium, *Clostridium tetani*, which is present in the soil, in animal dung and in faeces and enters the body through wounds. The bacterium produces a toxin which can make skeletal muscles unusually rigid, and may result in spasms. Ultimately, breathing may become difficult or impossible. There are an estimated 300,000 tetanus-related deaths each year. Safe and effective vaccines have been available for decades.

Tuberculosis – BCG – bacillus of *Calmette* and *Guérin*, is a vaccine that provides a degree of protection against childhood tuberculosis



and tuberculosis meningitis. Since 1975, case-control studies using different BCG strains indicate that vaccine efficacies range from zero to 80 percent. In young children, the estimated protective efficacy rates of the vaccine range from 52 percent to 100 percent for prevention of tuberculosis meningitis and miliary tuberculosis and from two percent to 80 percent for prevention of pulmonary tuberculosis.

“Under-used” vaccines can provide protection against:

Yellow Fever is an acute infectious disease caused by a virus that is transmitted by various species of *Aedes* mosquito and in South America, *Haemagogus* species. Each year, as many as 200,000 people are afflicted with this disease, and 30,000 people die from it. In sub-Saharan Africa, 468 million people in 33 countries are currently considered to be at risk. A single dose of the existing vaccine is highly effective and provides protection for at least a decade and probably for life.

Haemophilus influenzae type b (Hib) is a common cause of bacterial meningitis and a variety of life-threatening infections, including pneumonia seen mostly in children. Spread by droplets through coughs, sneezing, and in overcrowded living conditions, it is estimated to cause at least three million cases of serious disease and each year hundreds of thousands of deaths worldwide. Several vaccines are already in widespread use in high-income countries and are among the safest vaccines in use. Yet relatively few low-income countries have begun routine use in infants.

Hepatitis B is a virus that is estimated to have infected 400 million people throughout the world and causes both acute and chronic liver infections. Transmitted by contact with human blood and other infectious body fluids through unsafe injection and sexual practices, it is also spread at birth from infected mothers to their infants. Vaccines have been available for almost 20 years and their impact is seen in reduced numbers of adult deaths from liver cancer in countries where the vaccine is used routinely in infants.

‘Near-term,’ ‘new’ vaccines currently in the production pipeline will soon be available to provide protection against:

Meningitis (group A) is the cause of major epidemics in sub-Saharan Africa, marked by thousands of cases per outbreak and a fatality rate of almost 10 percent. Between 1988 and 1997, 704,000 cases of meningitis – 100,000 of which resulted in deaths – were reported in the African ‘meningitis belt,’ which stretches from

Ethiopia to The Gambia. Infants are at high risk. Currently, polysaccharide vaccines are not effective in protecting infants and can only be used in expensive and emergency interventions in older children. GAVI’s goal is to produce a conjugate vaccine to be incorporated into routine immunization programs in regions at risk of epidemics.

Pneumococcal disease – The bacterium *Streptococcus* is the most common cause of severe pneumonia worldwide. It also causes meningitis, septicaemia, and ear infections. Although the death toll is complicated to calculate, the pneumococcus bacterium is thought to kill as many as one million people each year. In developing countries, one in every 10 childhood deaths is attributed to this infection. A new conjugate vaccine is highly effective in infants, although it has yet to be tested in low-income country settings.

Rotavirus is one of the primary causes of diarrheal disease and causes 125 million cases of diarrhea each year that result in 600,000 deaths – primarily among infants and young children. It is highly contagious and is spread by an oral-faecal route. A vaccine that was licensed in the United States is not currently available for use in any country due to a reported association with intussusception.





“WE DO NOT HAVE
POLIO ANY MORE.
WE USED TO HAVE
EPIDEMICS HERE.
WE USED TO BURY TWO
OR THREE CHILDREN
EVERY WEEK BECAUSE
OF MEASLES OR
WHOOPING COUGH.”

SERIGNE DAME LEYE
—HEADMAN
NGOUYE DIARAF VILLAGE
SENEGAL

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of
The Vaccine Fund

In our opinion, based on our audit and the report of other auditors, the accompanying consolidated statement of assets, liabilities and net assets arising from cash transactions and the related consolidated statements of revenue collected and expenses paid, of cash flows, and of functional expenses present fairly, in all material respects, the financial position of the Vaccine Fund (the Fund) and le Fonds pour les Vaccins de l'Enfance (the Association) as of December 31, 2002, and the changes in their net assets and their cash flows for the year then ended, on the basis of accounting described in Note 2. These financial statements are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Association, a wholly-owned subsidiary, which statements reflect total assets of \$298,378 as of December 31, 2002, and total revenues of \$1,606,015 for the year then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Fund, is based solely on the report of the other auditors. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinion.

As discussed in Note 2, in 2002 the Fund adopted a policy of preparing its financial statements on the modified cash basis. The accompanying financial statements are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The effect of change is recorded as an adjustment to net assets as of January 1, 2002.

The logo for PricewaterhouseCoopers LLP, featuring the company name in a stylized, handwritten-style font.

March 14, 2003

**CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES
AND NET ASSETS ARISING FROM CASH TRANSACTIONS**

As of December 31, 2002

	The Fund	French Association	Elimination	Total
ASSETS				
Cash and cash equivalents	\$ 9,685,432	\$ 42,634	\$ -	\$ 9,728,066
Accounts receivable	-	6,853	-	6,853
Prepaid expenses	-	43,520	-	43,520
Furniture and equipment, net of accumulated depreciation of \$84,416 and \$6,364, respectively	116,633	147,653	-	264,286
Note receivable	200,000	-	(200,000)	-
Investments	765,200,552	57,718	-	765,258,270
TOTAL ASSETS	<u>\$ 775,202,617</u>	<u>\$ 298,378</u>	<u>\$ (200,000)</u>	<u>\$ 775,300,995</u>
LIABILITIES AND NET ASSETS (DEFICIT)				
<i>Liabilities:</i>				
Accounts payable	\$ -	\$ 317,680	\$ -	\$ 317,680
Note payable	-	200,000	(200,000)	-
Total liabilities	-	517,680	(200,000)	317,680
<i>Net assets:</i>				
Unrestricted net assets (deficit)	775,202,617	(219,302)	-	774,983,315
Total net assets (deficit)	775,202,617	(219,302)	-	774,983,315
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 775,202,617</u>	<u>\$ 298,378</u>	<u>\$ (200,000)</u>	<u>\$ 775,300,995</u>

The accompanying notes are an integral part of these consolidated modified cash basis financial statements.

**CONSOLIDATED STATEMENT OF REVENUE COLLECTED
AND EXPENSES PAID**

For the year ended December 31, 2002

	The Fund	French Association	Elimination	Total
REVENUE:				
Total contributions	\$ 59,164,032	\$ 1,600,000	\$ (1,600,000)	\$ 59,164,032
Investment income	11,846,265	354	-	11,846,619
Foreign currency translation adjustment	-	9,960	-	9,960
Other	-	7,682	-	7,682
TOTAL REVENUE COLLECTED	71,010,297	1,617,996	(1,600,000)	71,028,293
EXPENSES:				
Program	26,210,580	812,599	(1,600,000)	25,423,179
Management and general	574,787	471,223	-	1,046,010
Fundraising	752,801	232,440	-	985,241
TOTAL EXPENSES	27,538,168	1,516,262	(1,600,000)	27,454,430
CHANGE IN NET ASSETS	43,472,129	101,734	-	43,573,863
Net assets (deficit), beginning of period	731,730,488	(321,036)	-	731,409,452
Net assets (deficit), end of period	<u><u>\$ 775,202,617</u></u>	<u><u>\$ (219,302)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 774,983,315</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

For the year ended December 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 43,573,863
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>	
Depreciation	78,052
Realized and unrealized gains on investments	(862,286)
Increase in accounts receivable	(6,853)
Increase in prepaid expenses	(43,520)
Increase in accounts payable	290,621
NET CASH PROVIDED BY OPERATING ACTIVITIES	43,029,877
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of fixed assets	(228,495)
Purchase of investments	(1,792,202,387)
Proceeds from sale of investments	1,758,025,420
NET CASH USED BY INVESTING ACTIVITIES	(34,405,462)
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,624,415
Cash and cash equivalents balance, beginning of the period	1,103,651
CASH AND CASH EQUIVALENTS BALANCE, END OF THE PERIOD	<u>\$ 9,728,066</u>

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The accompanying notes are an integral part of these consolidated modified cash basis financial statements.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

The Vaccine Fund (the Fund) is a charitable nonprofit corporation established to provide newer vaccines and the means to deliver such vaccines to the children of the world, beginning in those countries where the need for immunization is great and the likelihood of success is high. The Fund was incorporated on October 26, 1999, under the laws of Washington State and the United States of America. During 2001, the Fund changed its name from Global Fund for Children's Vaccines to The Vaccine Fund.

In 2001, le Fonds pour les Vaccins de l'Enfance (The Fund for Children's Vaccines), a French association (the Association), was registered in Lyon, France. The purpose of the Association is to contribute to the improvement of the vaccination of children in developing countries using all possible means, to promote the research and development of vaccines in all fields, and to contribute to the achievement of the Fund. The Fund is a member ex officio of the board of directors of the Association and elects the other members of the board of directors.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Beginning January 1, 2002, The Fund accounts for revenues and expenses on the modified cash basis. This basis is a comprehensive basis of accounting other than generally accepted accounting principles. The financial statements have been modified from the basis of cash receipts and cash disbursements to include the capitalization and depreciation of fixed assets and unrealized and realized gains and losses on investments. Previously the Fund accounted for revenue and expense on the accrual basis of accounting. The effect of this change totals \$27,953,738 and has been recorded as an adjustment to net assets as of January 1, 2002.

The Association has prepared its financial statements on the accrual basis of accounting.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Fund and the Association for the year ended December 31, 2002. All inter-entity balances and transactions have been eliminated in consolidation.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Fund and changes therein are classified and reported as follows:

Unrestricted net assets - Unrestricted net assets generally result from revenues derived from providing services, receiving unrestricted contributions, unrealized and realized gains and losses, and receiving dividends and interest from investing in income-producing assets, less expenses incurred in providing services, raising contributions, and performing administrative functions.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Fund and/or the passage of time. As of December 31, 2002, the fund did not have any temporarily restricted net assets.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Fund. As of December 31, 2002, the fund did not have any permanently restricted net assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their uses are restricted by explicit donor stipulation by law. Contributions with donor-imposed restrictions that are met in the same years as received are reported as revenues of the unrestricted net asset class.

Cash and Cash Equivalents

For purpose of reporting cash flows, the Fund considers all cash accounts which are not subject to withdrawal restrictions or penalties and all highly liquid debt instrument purchased with an original maturity of three months or less, other than those held in the Fund's investment portfolio to be cash equivalents.

Investments

Investments are valued at fair value based on published quotations as of the trade date. All gains and losses on investments are reported in the Consolidated Statement of Revenues Collected and Expenses Paid as increases or decreases to unrestricted net assets since the earnings from these investments are not restricted to any specific use other than to fulfill the Fund's general objectives.

Furniture and Equipment

Furniture and equipment are stated at cost for purchased assets or estimated value at date of receipt for donated assets. Depreciation is provided using the straight-line method over the estimated useful lives of the assets of three to five years.

Allocation of Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Revenues Collected and Expenses Paid.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Federal Income Taxes

The Fund is exempt from federal income taxes under Internal Revenue Code Section 501 (c)(3). The Fund is also not a private foundation under Section 509(a) of the Code.

Vulnerability from Certain Concentrations

The Fund invests its excess cash in money market and debt instruments with financial institutions with strong credit ratings and has established, guidelines relative to diversification and maturities that maintain safety and liquidity. Management anticipates no material effect to the Fund's financial position as a result of cash and investment held in financial institutions in excess of the available federal deposit insurance.

For the year ended December 31, 2002, 89.58 percent or \$53 million of the Fund's contribution revenue is from one U.S. government agency. Management is aware of the vulnerability. The Fund anticipates that in future years it will receive adequate support from the general public to continue as a publicly supported organization.

3. COLLABORATIVE AGREEMENTS

The Fund's initial efforts in furtherance of its charitable purposes are to assist members of the Global Alliance for Vaccines and Immunization (GAVI) to purchase and deliver vaccines. Members of GAVI include representatives of the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), the World Bank, the Bill and Melinda Gates Children's Vaccine Program, the Rockefeller Foundation, governmental development agencies of the world, technical agencies, and the pharmaceutical industry.

GAVI is committed to work with governments of the poorest countries to develop and implement effective immunization programs, beginning by facilitating the use of new vaccines in production that are not yet part of those countries' immunization programs. At December 31, 2002, immunization programs endorsed by GAVI for the next five years totaled \$914 million. The Executive Committee of the Fund expects that the remainder of the \$914 million in total programs will be brought to the Fund's consideration in due course.

In 2002, the Fund became a board member of GAVI. Duties of a board member include providing broad strategic directions to GAVI, and exercising operational decision-making to shared objectives, strategies, and plans. As a board member, the Fund also pays an annual fee of \$300,000.

In 2000, the Fund and UNICEF agreed to work together to achieve the GAVI immunization goals. In an agreement entered into by the Fund and UNICEF, the Vaccine Fund Trust Account at UNICEF (the Trust Account) was established. The purpose of the Trust Account is to receive contributions to be expended exclusively in support of programs and projects endorsed by the GAVI Board. Under the relationship agreement between the Fund and UNICEF, funds held at the trust account are held in trust at UNICEF on behalf of the donors seeking to support GAVI initiatives. While these funds are not included as assets in the Fund's financial statements, they are used to offset outstanding program awards approved by the Fund. The GAVI Secretariat presents award decisions (already approved by the GAVI Board) to the Fund for consideration of the Fund's willingness to finance such awards. When the Fund approves the financing, the Fund adopts the obligation to pay up to the total amount of the award. The subsequent disbursement of awards is financed by funds drawn from both the Fund and the Trust Account.

As of December 31, 2002, the Fund prepaid UNICEF \$2,036,598 for administration of the trust account for future periods.

4. ACCRUAL DISCLOSURES

As disclosed in Note 2, these financial statements have been prepared on the modified cash basis of accounting. If prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America, promises to give, interest receivable, accounts payable and awards payable, among other items, would be recorded.

Promises to Give

Donors have notified the Fund of the following unconditional promises to give as of December 31, 2002:

Contributions due in less than one year	\$ 375,000
Contributions due in one to five years	750,000
Unconditional promises to give before unamortized discount	1,125,000
Less – unamortized discount	(52,721)
Net unconditional promises to give	<u>\$ 1,072,279</u>

The discount rate was 5 percent in 2002 for pledges due in two to three years.

Interest Receivable

As of December 31, 2002, The Fund is due \$4,236,349 of interest receivable on its investment portfolio.

Awards Payable

As discussed in Note 3, contributions to the Trust Account are from the Fund and from other donors, and disbursements from the Trust Account are subject to approval of the awards by the Fund. As of December 31, 2002, cumulative awards approved by the Fund totaled \$227,343,734, and cumulative program disbursements from

the Trust Account totaled \$210,620,728. Cumulative contributions to the Trust Account by the Fund and other donors totaled \$59,549,257 and \$150,814,382, respectively. Additionally, unconditional promises to give made by other donors to the Trust Account to be received in 2003 and 2004 totaled \$15,275,000, and \$15,875,000, respectively.

During 2002, the Fund approved awards endorsed by GAVI totaling \$114,724,124. As discussed in Note 3, these awards are financed by funds provided by the Fund and other contributors. Contributors to the Trust Account include foreign governments. The United States government provides its contribution to the Fund directly.

In addition to the above awards approved by the Fund, in 2002, the Fund also approved two awards that are subject to performance and reporting conditions. The budgeted amounts for these awards totaled \$30,943,134 and \$5,398,000, respectively, which will be paid in 2003 through 2006 if all the conditions are met.

5. NOTE RECEIVABLE AND NOTE PAYABLE

As of December 31, 2001, the Fund entered into an interest-free loan agreement with the Association for \$500,000. During 2002, additional loan agreements with amounts totaling \$1,300,000 were entered into. The loan proceeds were used for the Association's organizational and operational costs associated with its charitable purpose. As of December 31, 2002, \$1,600,000 of the outstanding loan balance was recharacterized by the Fund as a contribution to the Association.

6. INVESTMENTS

Investments consist of the following at December 31, 2002:

Money market	\$ 219,129,297
Government bonds	539,757,407
Corporate bonds	6,371,566
Total investments	<u>\$ 765,258,270</u>

Investment return for the year ended December 31, 2002 were as follows:

Dividends and interest	\$ 11,305,033
Realized and unrealized gains	862,286
Investment fees	(320,700)
Total return on investments	<u>\$ 11,846,619</u>

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7. CONDITIONAL PROMISES TO GIVE

The Fund has also received a conditional promise to give totaling 24,500,000 Pounds Sterling (US\$39,307,800) over the period April 2002 to December 2005. The payment of the promise to give is subject to the satisfactory fulfillment of the donor's conditions. For the year ending December 31, 2002, 3,500,000 Pounds Sterling (US\$5,605,950) has been received from that promise to give and has been recognized as revenue.

The Trust Account at UNICEF has received conditional promises to give totaling \$31.1 million for the year ended December 31, 2002. It is anticipated that this money will be used to offset current and future award disbursements for the Fund.

8. RETIREMENT PLAN

On January 1, 2002, the Fund began sponsoring a 401(k) defined contribution plan for all eligible employees of the Fund. Employees become eligible upon hiring, and may participate starting on the first day of any month. Employees may contribute voluntary salary deferrals to the plan subject to IRS limitations. The Fund's annual contribution equals 3 percent of each participant's compensation, as well as 100% matching contribution up to 2 percent of the participant's compensation. In addition, the Fund may contribute to the plan discretionary amounts above the initial 3 percent. The discretionary amount is fully vested after 12 months. The discretionary amount for 2002 equals 10 percent of the participant's compensation. As of December 31, 2002, the Fund's obligation to the plan totaled \$101,912.

9. LEASE

The Fund subleases its office space from a major contributor. The lease commenced on October 1, 2001 and ends on September 30, 2003. As of December 31, 2002, the Fund is in the process of negotiating an extension to the existing lease. The Fund has the option to extend the term for successive and separate one-year terms with 6-month notice and sublandlord's approval. Rental expense totaled \$203,924 for the year ended December 31, 2002. Future minimum lease payments under this agreement total \$112,498 for the year ending December 31, 2003.

10. RELATED PARTY TRANSACTION

In June 2000, the Fund entered into an independent contract agreement with Parteurop S.A., a French company. The agreement allows the Fund to receive services by an employee of the Parteurop as President of the Fund with responsibility for strategic, programmatic, financial, and management operations, as directed by the Fund's Board of Directors. For the year ended December 31, 2002, total fees paid to Parteurop under this agreement were \$360,332.

REPORT OF INDEPENDENT ACCOUNTANTS ON SUPPLEMENTARY INFORMATION

To the Board of Directors of The Vaccine Fund

The report on our audit of the basic financial statements of the Vaccine Fund (the Fund) and le Fonds pour les Vaccins de l'Enfance (the Association) as of and for the year ended December 31, 2002 appears on page one of this document. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying consolidating statements of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

March 14, 2003

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

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For the year ended December 31, 2002

	Programs	Management & General	Fundraising	Total Expenses
Vaccine procurement and program-related				
financial awards	\$ 20,386,258	\$ -	\$ -	\$ 20,386,258
Program implementation	363,883	-	-	363,883
Professional fees	1,415,361	373,379	239,227	2,027,967
Marketing and public relations	1,311,487	53,856	-	1,365,343
Travel	809,534	93,965	167,063	1,070,562
Office	196,670	144,326	76,108	417,104
Salaries, payroll taxes, and benefits	683,707	277,706	382,598	1,344,011
Insurance	58,316	21,949	35,539	115,804
Occupancy	153,706	52,210	70,474	276,390
Other	44,257	28,619	14,232	87,108
TOTAL EXPENSES	<u>\$ 25,423,179</u>	<u>\$ 1,046,010</u>	<u>\$ 985,241</u>	<u>\$ 27,454,430</u>

A P P E N D I X

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Page 2 Jonathan Becker; Nairobi, Kenya; at this clinic, all around health care includes the vaccination of infants and children.

Page 6 Tim Zielenbach for CONTACT Press Images; Mali

Page 8 Thomas L. Kelly for UNICEF; Cambodia; a baby receives routine immunization from a local health care provider.

Page 9 Dilip Mehta for CONTACT Press Images; Bangladesh

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Page 13 (left to right)
a. Thomas L. Kelly for UNICEF; Senegal; yellow fever vaccination is developed in a laboratory.
b. Thomas L. Kelly for UNICEF; Senegal; a UNICEF worker takes inventory of incoming vaccines.
c. Thomas L. Kelly for UNICEF; Cambodia; health care workers deliver refrigerated vaccines to a remote village by power boat.

Page 16 Dilip Mehta for CONTACT Press Images; Vietnam

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Page 19 Cedric Galbe for UNICEF; Sudan; maintaining correct levels of refrigeration is essential to the efficacy of vaccines. Here, UNICEF workers transport a supply of vaccines to a remote village in 'cold storage' containers.

Page 20 Mikkel Ostergaard for Panos Pictures; Goma, Democratic Republic of Congo; a refugee of the Rwandan civil war, this child represents 'every child, everywhere,' who should have access to childhood immunizations that would protect him from all vaccine-preventable disease.

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Page 26 The Vaccine Fund public awareness campaign

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Page 28 Jonathan Becker; New Delhi, India; mothers and children gather at the doorway to a local health center which provides childhood immunization services, in addition to comprehensive, community-based health care.

Page 30 Roger Lemoyne for UNICEF; China; a child's immunization series is updated by a local health care provider, while her peers await their turns.

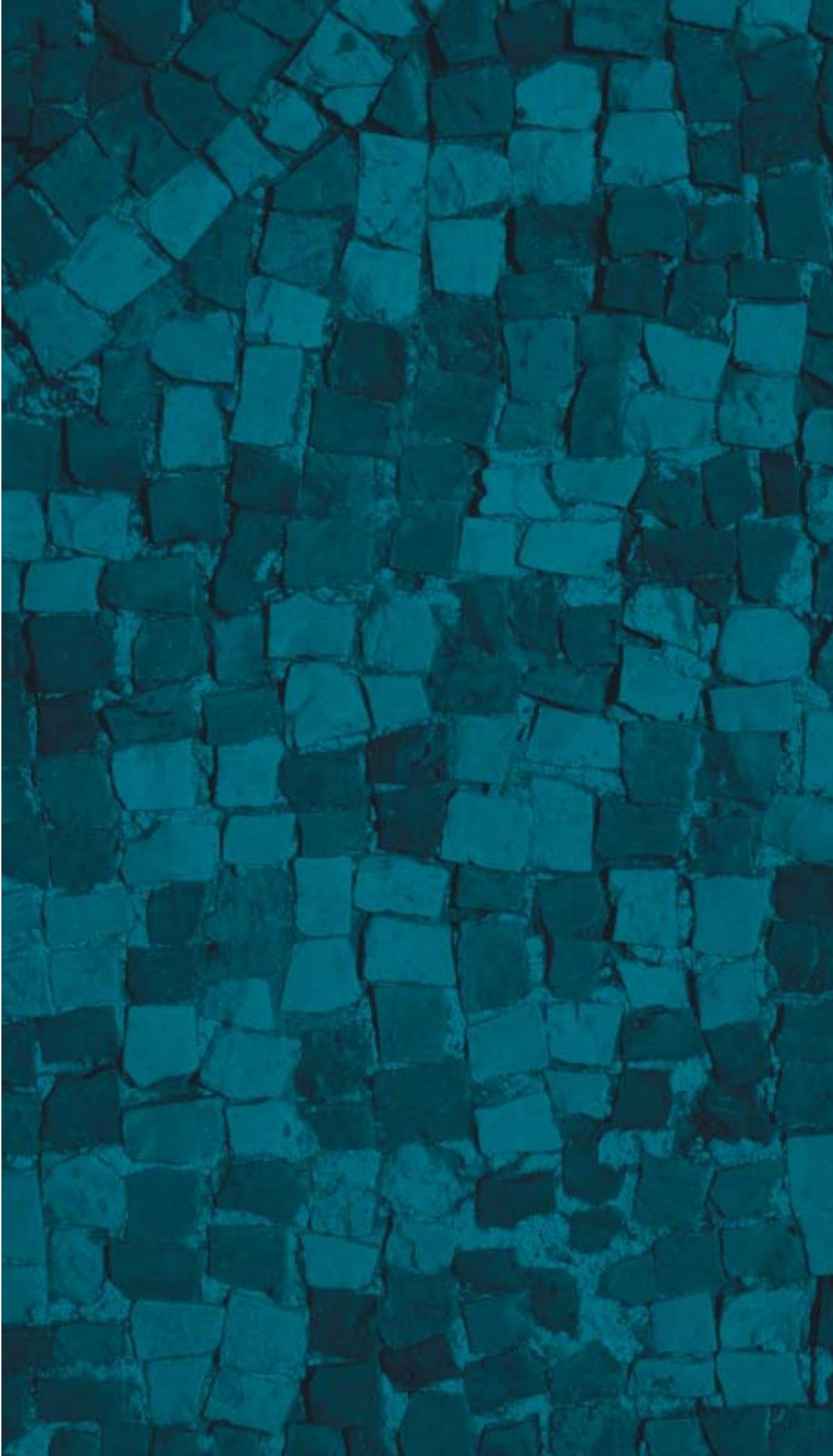
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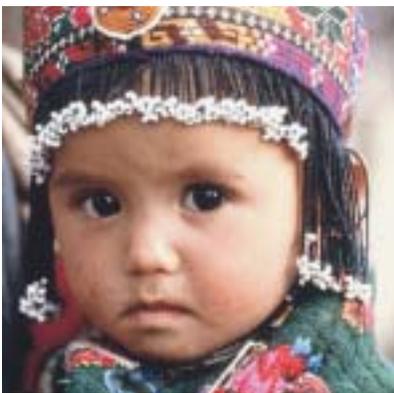
Page 36 Thomas L. Kelly for UNICEF; Senegal; health care workers deliver vaccines by motorcycle to an outlying village.

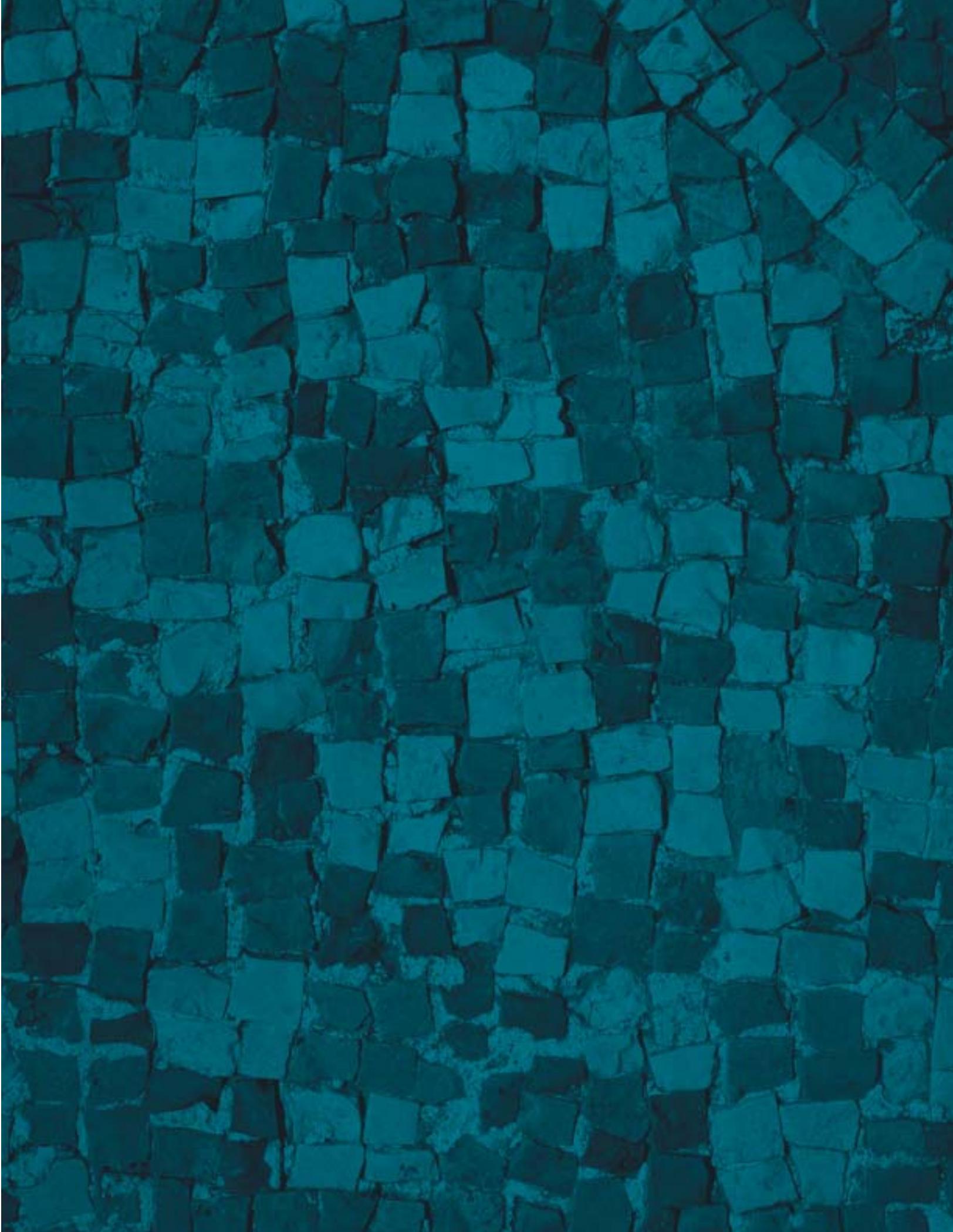
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Footnotes

- ¹ The Global Alliance for Vaccines and Immunizations, a public/private partnership launched in 2000 to save children's lives and improve people's health through the wide-spread use of vaccines.
- ² *Haemophilus influenzae* type b, also known as Hib disease, is a common cause of bacterial meningitis and a variety of life-threatening infections, including pneumonia, seen mostly in children.
- ³ In 2002, East Timor was added taking the number of countries eligible for support from The Vaccine Fund to 75.
- ⁴ Preliminary estimates from the World Health Organization, 2002, reflect figures for 2001.







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