



GAVI Alliance Board Meeting

21-22 November 2013
Phnom Penh, Cambodia

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 9.15 local time on 21 November 2013. Dagfinn Høybråten, Board Chair, chaired the meeting.
- 1.2 The Chair welcomed the Board members to Phnom Penh and extended a special welcome to several new Board members and alternate Board members attending a Board meeting for the first time. He also welcomed René Karsenti, IFFIm Board Chair, and his colleague from the IFFIm Board. He also recognised a number of departing Board members and thanked them for their service to the Alliance.
- 1.3 He noted that the Board's committees had extensively reviewed most of the topics on the agenda as had the various Board constituencies. He emphasised therefore that focusing discussions on the big picture would optimise the discussions at this meeting and asked Board members not to reopen detailed questions that have already been addressed in a committee.
- 1.4 Standing declarations of interest were tabled to the Board (Doc 01a in the Board pack). He noted that several Board members would be invited to declare conflicts at various points in the agenda and they would be noted in the minutes.
- 1.5 The Board noted the minutes of its meeting on 11-12 June 2013 (Doc 01b), which had been approved by no-objection on 13 September 2013.
- 1.6 In addition, the Board noted the list of actions agreed at the last meeting (Doc 01c) and the Board workplan (Doc 01d). The Chair actively encouraged Board members to contribute to the forward plan by raising issues which they may wish to add with either himself or the Secretariat.
- 1.7 Finally, the Board watched a film of the Mid-Term Review which was held in Stockholm, Sweden on 30 October 2013.

2. Consent agenda

- 2.1 The consent agenda included the recommendations of the Governance Committee for Board and Committee member appointments (Doc 02a), the appointment of the Vice Chair of the Board (Doc 02b), and committee chair appointments (Doc 02c).
- 2.2 It also included the recommendation of the Audit and Finance Committee (AFC) to appoint KPMG as independent auditor (Doc 02d), the Programme and Policy Committee's (PPC) recommendation on the Independent Review Committee (IRC) emergency appointments (Doc 02e), the Governance Committee's recommendation to approve the Board Travel Policy (Doc 02f), and the AFC's recommendation to amend the Budget Variance Policy and Programme Funding Policy (Doc 02g).
- 2.3 The consent agenda also included recommendations of the PPC to open a funding window for Japanese Encephalitis vaccine (Doc 02h) and approve a revised Gender Policy (Doc 02i), and Transparency and Accountability Policy (TAP) (Doc 02j).
- 2.4 Finally, the consent agenda included a recommendation from the Board of the GAVI Fund Affiliate (GFA) to ratify and approve resolutions to wind up the operations of the GFA. (Doc 02k).

Decision One

The GAVI Alliance Board:

(a) **Appointed** the following Board Members:

- **Tim Evans** as Board Member representing the World Bank effective immediately until his successor is appointed.
- **Ruhakana Rugunda** as Board Member representing the developing country constituency in the seat currently held by Christine Ondo effective immediately until 31 December 2014.
- **Walter Seidel** as Board Member representing the European Commission, France, Germany, Luxembourg donor constituency in the seat currently held by Gustavo Gonzalez-Canali effective immediately until 31 December 2014.

(b) **Reappointed** the following Board Member:

- **Angela Santoni** as Board Member representing the Italy and Spain donor constituency until 31 December 2014.

(c) **Exceptionally Extended** the terms of the following Board Members:

- **Wayne Berson** as an Unaffiliated Board Member until 31 December 2014.
- **George W. Wellde Jr.** as an Unaffiliated Board Member until 31 December 2014.

(d) **Appointed** the following Alternate Board Members:

- **Shanelle Hall** as Alternate Board Member to Geeta Rao Gupta representing UNICEF in the seat currently held by Nicholas Alipui effective immediately until her successor is appointed.
- **Emmanuel Lebrun-Damiens** as Alternate Board Member to Walter Seidel representing the European Commission, France, Germany, Luxembourg donor constituency in the seat currently held by Walter Seidel effective immediately until 31 December 2014.
- **Beate Stirø** as Alternate Board Member to Anders Nordström representing the Sweden, Netherlands, Denmark, Norway donor constituency in the seat currently held by Paul Fife effective immediately until 31 December 2014.
- **Bheri Ramsaran** as Alternate Board Member to Andrei Usatii representing the developing country constituency in the seat formerly held by María del Socorro Interiano Portillo effective immediately until 31 December 2015.

(e) **Reappointed** the following Alternate Board Members:

- **José Luis Solano** as Alternate Board Member to Angela Santoni representing the Italy and Spain donor constituency until 31 December 2014.
- **Micheline Gilbert** as Alternate Board Member to Donal Brown representing the United Kingdom, Canada, Ireland donor constituency until 1 July 2016.

(f) **Appointed** the following to the **Executive Committee** effective 1 January 2014:

- Dagfinn Høybråten (statutorily appointed).
- Geeta Rao Gupta (statutorily appointed).
- Wayne Berson until 31 December 2014.
- Flavia Bustreo until 31 December 2015.
- Awa Marie Coll-Seck until 31 December 2015.
- Jenny Da Rin until 31 December 2014.
- Tim Evans until 31 December 2015.
- Ashutosh Garg until 31 December 2014.

- Orin Levine until 31 December 2015.
 - George W. Wellde Jr. until 31 December 2014.
 - Seth Berkley (non-voting and statutorily appointed).
- (g) **Appointed** the following to the **Audit and Finance Committee** effective 1 January 2014:
- Wayne Berson until 31 December 2014.
 - Micheline Gilbert until 31 December 2015.
 - Yifei Li until 31 July 2015.
 - Tom Hunstad until 31 December 2015.
 - Derek Strocher until 31 December 2015.
 - Marcus Koll until 31 December 2015.
- (h) **Appointed** the following to the **Investment Committee** effective 1 January 2014:
- Wayne Berson until 31 December 2014.
 - Ashutosh Garg until 31 December 2014.
 - George W. Wellde Jr. until 31 December 2014.
- (i) **Appointed** the following to the **Governance Committee** effective 1 January 2014:
- Geeta Rao Gupta (statutorily appointed).
 - Joan Awunyo-Akaba until 30 June 2015.
 - Donal Brown until 31 December 2015.
 - Maria C. Freire until 31 July 2015.
 - Shanelle Hall until 31 December 2015.
 - Orin Levine until 31 December 2015.
 - Olga Popova until 31 July 2014.
 - Samba O. Sow until 31 December 2015.
 - Beate Stirø until 31 December 2014.
 - George W. Wellde, Jr. until 31 December 2014.
 - Seth Berkley (non-voting) until 31 December 2015.
- (j) **Appointed** the following to the **Programme and Policy Committee** effective 1 January 2014:
- Raj Baisya until 31 December 2015.
 - Zulfiqar A. Bhutta until 31 December 2015.
 - Rajinder Suri until 31 December 2015.
 - Susan McKinney until 31 December 2015.
 - Steve Landry until 31 December 2015.
 - Emmanuel Lebrun-Damiens until 31 December 2014.
 - Lene Lothe until 31 December 2015.
 - Clarisse Loe Loumou until 31 December 2015.
 - Ahmad Jan Naeem until 31 December 2015.
 - Robert Oelrichs until 31 December 2015.
 - Jean-Marie Okwo-Bele until 31 December 2015.
 - Richard Sezibera until 31 December 2015.
 - Klaus Stohr until 31 July 2014.

- Andrei Usatii until 31 December 2015.
- Jos Vandelaer until 31 December 2015.
- Seth Berkley (non-voting) until 31 December 2015.

(k) **Reappointed** the following to the **Evaluation Advisory Committee**:

- Sania Nishtar until 31 December 2014.
- Angela Santoni until 31 December 2014.
- Samba O. Sow until 31 December 2015.
- Naveen Thacker until 30 June 2015.

Board members who were candidates for these positions, or whose organisations or constituencies provided candidates for these positions, did not vote on those nominations.

Decision Two

The GAVI Alliance Board

- **Reappointed** Geeta Rao Gupta as Vice Chair of the Board with individual signatory authority until 31 December 2015.

Geeta Rao Gupta and Shanelle Hall did not vote on this appointment.

Decision Three

The GAVI Alliance Board **reappointed** the following chairs of the committees:

- **Wayne Berson** as Chair of the Audit and Finance Committee until 31 December 2014.
- **George W. Wellde, Jr** as Chair of the Investment Committee until 31 December 2014.
- **Richard Sezibera** as Chair of the Programme and Policy Committee until 31 December 2015.
- **Sania Nishtar** as Chair of the Evaluation Advisory Committee until 31 December 2014.

George W. Wellde Jr and Richard Sezibera did not vote on their own appointments. Wayne Berson was not present.

Decision Four

The GAVI Alliance Board:

- (a) **Appointed** KPMG SA/AG as the independent auditor of the GAVI Alliance for the financial year ending 31 December 2013.
- (b) **Appointed** KPMG SA/AG to provide Swiss tax services for the GAVI Alliance for the financial year ending 31 December 2013.
- (c) **Appointed** KPMG LLP to provide United States tax services for the GAVI Alliance for the financial year ending 31 December 2013.

Decision Five

The GAVI Alliance Board **amended** Article 5.1.1 of the By-Laws to read as follows:

The Independent Review Committee (IRC) is an independent, impartial group of national health programme experts appointed by the Board from a pool nominated by the Secretariat in consultation with partners and others as required by the Board. In emergency situations, the CEO in concurrence with the Chair of the PPC may appoint IRC members with subsequent ratification by the Board. IRC members shall be selected on the basis of their skills, expertise and independence. The IRC serves to guarantee the integrity and consistency of an open and transparent programme funding process.

Decision Six

The GAVI Alliance Board:

Approved the Board Travel Policy as attached in Doc 02f, Annex A.

Decision Seven

The GAVI Alliance Board:

Approved the revised GAVI Budget Variance and GAVI Programme Funding Policies attached as Annex A and B to Doc 02g.

Decision Eight

The GAVI Alliance Board:

Opened a funding window for Japanese Encephalitis vaccine such that the GAVI Secretariat can invite country proposals for support in 2014 from all GAVI eligible countries at risk.

Decision Nine

The GAVI Alliance Board:

Approved the revised Gender Policy attached as Annex 1 to Doc 09 to the Programme and Policy Committee.

Decision Ten

The GAVI Alliance Board:

Approved the revised Transparency and Accountability Policy as attached as Annex 1 to Doc 02j, taking into account the changes requested by the Programme and Policy Committee.

Decision Eleven

The GAVI Alliance Board:

- (a) **Approved** that the GAVI Fund Affiliate (GFA) be wound up voluntarily.
- (b) **Approved** that John David Thomas Milsom and Allan Watson Graham of KPMG LLP, 8 Salisbury Square, London EC4Y 8BB, United Kingdom, be and are hereby **appointed** joint liquidators for the purpose of such winding up and that any power conferred on them by the GFA, or by law, be exercisable by them jointly, or by either of them alone.
- (c) **Approved** that the remuneration of the joint liquidators be fixed at their normal charging rates, which may be amended from time to time, according to the time properly spent by them and members of their staff in attending to matters arising prior to and during the winding up of the GFA (including those falling outside their statutory duties) and that they be authorised to draw their remuneration on account.
- (d) **Approved** that the joint liquidators be and are hereby authorised to make distributions in specie, as and when determined by the joint liquidators, of the assets of the GFA during the administration of the winding up.
- (e) **Approved** that the joint liquidators be and are hereby authorised to exercise any of the powers to make compromises as contained in paragraphs 2 and 3 of Part 1 of Schedule 4 of the Insolvency Act 1986.

3. Country presentation – Cambodia

- 3.1 Dr Mam Bunheng, Minister of Health of the Kingdom of Cambodia, extended a warm welcome to all participants and expressed his honour in being able to present a review of the success of collaboration with the GAVI Alliance. He gave a presentation on Cambodia's Health Strategic Plan 2008-2015,

highlighted the history and goals of the National Immunisation Programme (NIP), trends in immunisation coverage and presented information on GAVI support for immunisation in the country. Following his presentation a short film on immunisation in the country was shown.

Discussion

- The Chair thanked Dr Bunheng for his presentation and confirmed that the GAVI Alliance looks forward to its continued collaboration with the Kingdom of Cambodia to address remaining challenges.
- Board members commended Cambodia on having achieved polio eradication during a period when the country was going through conflicts and expressed the hope that this would be achievable for other countries facing similar challenges.
- Board members also commended Cambodia for not only looking at district level achievements in terms of immunisation coverage but also at the community level.
- Board members noted that a GAVI-supported Measles-Rubella (MR) Campaign is currently ongoing in Cambodia and that the country plans to introduce MR into its routine immunisation programme in 2014.
- Board members also noted that one of the major remaining challenges for Cambodia relates to reaching high risk communities and that work is being focused on outreach activities to these vulnerable populations.

4. CEO report

- 4.1 Seth Berkley delivered his report to the Board (Doc 04), highlighting that this meeting took place more than half way through the current strategy period. With more than one vaccine launch every five days on average for the remainder of 2013, the Alliance also needs to cast its mind to GAVI's future, including the key elements of the post-2015 strategy, investments in polio, a new vaccine investment strategy, and enhanced support for countries during the graduation phase.
- 4.2 He took the Board through the mid-term review (MTR) and results, commented on the broader landscape, gave an overview on how GAVI is delivering on its promises, reviewed expenditures and resources, highlighted challenges, reviewed new programmes, and provided some thoughts on GAVI's next strategic period.

Discussion

- One Board member commented on the importance of independent monitoring of vaccine coverage for reporting purposes. The CEO concurred but added that GAVI should also want to improve local reporting, share reporting tools, and obtain real time data. He also said that it is important to obtain district-level data, particularly in countries with wide internal variations in coverage.
- Board members noted that delivery is dependent on donor governments making and fulfilling pledges for 2011-2015 so that GAVI can deliver on its current strategy and be ambitious with regard to its 2016-2020 strategy. The challenges range from austerity measures and new government leadership in some countries, to single year appropriation cycles in other countries. Board members can be helpful in encouraging donor nations to continue or increase support for immunisation.
- Board members noted that vaccine coverage in low income GAVI countries and high income countries is outpacing coverage in middle income countries. As countries graduate from GAVI support, it is critical that the gains made are not lost. GAVI needs more data as to these countries' needs and to determine how GAVI can be helpful to them after graduation beyond financing, such as facilitating access to sustainable pricing.
- Board members acknowledged that efforts must continue to ensure a robust supply chain and create a stable vaccine market. The CEO added that for developing country manufacturers in particular, a stable market is critical for them to develop manufacturing capacity and to confidently enter into supply agreements.
- Board members noted that as GAVI improves its health systems programme, it is important to have good indicators and to process data in a meaningful way. The CEO commented that this is a major priority for the Secretariat.
- Several Board members noted that advocacy for the fully immunised child and other components of the GAVI strategy is critical but the CEO cautioned that there are limits to the range of advocacy activities the Secretariat can accomplish with limited staff. As such, Secretariat leadership has prioritised key areas of advocacy understanding that there are many organisations GAVI can partner with but that it cannot deploy resources too thinly. There is also a need to ensure GAVI pushes back on the erroneous claims of anti-vaccine groups by continuously demonstrating the overwhelming public health benefit of an immunised population. The CEO noted he had responded with high profile opinion pieces in key markets but noted how the relentless efforts of some anti-vaccine advocates aided by the internet can be challenging to combat. GAVI Alliance partners, particularly WHO, can help to ensure the public is informed with credible data and good science.
- The theme of a small Secretariat needing to prioritise its activity also fed into other discussions. The addition of IPV activity would also have an impact on

Secretariat resources as would any new engagements with private sector partners. While noting the Secretariat was doing the best it could to prioritise its time, the CEO invited the Board to advise him what it considers the most important areas to prioritise, understanding that would mean some activity would be deprioritised as a result. In addition, the Secretariat was challenged by the departure or impending departure of several key senior staff members. While new staff will bring new energy, the Secretariat will have to cope with the transition.

- Given the critical nature of the annual progress report and financial statements, the Board requested the Secretariat to explore whether or not it is possible for the Board to discuss these together as part of the regular meeting schedule. The Board noted that there is a timing challenge as the financials cannot be prepared in time for the June meeting (due to the consolidation of the IFFIm financials) and must be approved long before the November/December meeting in order to meet donor reporting deadlines.
- Several Board members noted that there had been significant debate as to whether HPV should be approved for the vaccine portfolio, but then it had been readily accepted by countries with higher demand than initially expected. Considering this success, the Board requested that the Secretariat report on lessons learnt from the HPV demonstration projects and rollouts.
- In reflecting the next stage of GAVI's evolution, one Board member noted that there needs to be a balance between delivering and engaging in interesting new projects. GAVI must continue to be a high performing institution as evidenced by recent reviews of many international organisations and to be a leader in transparency, delivery, and positive effect on people's lives.
- One Board member thought that a deadline of 2019 to evaluate the Transparency and Accountability Policy might be too far in the future. The CEO agreed that it would be possible to review the policy earlier if the Board wished.
- The Board was pleased to note that civil society engaged with nearly every country application. CSOs have an important role to play, particularly in ensuring the Alliance is country-led and to encourage dialogue. In addition, the Board noted that the private sector is becoming increasingly important in the global development landscape and that means the GAVI Alliance evolving how it engages with the private sector. What can really make a difference is deploying the skill sets where the private sector has a comparative advantage.
- When asked to list his number one priority, the CEO emphasised that GAVI must prioritise implementation. All other activities hinge on successful delivery.
- The Board noted that the question on whether the GAVI governance structure is fit for purpose moving into the next strategic period will be important to

answer. GAVI has made incremental changes from time to time but now is a good time to ask the question more holistically. It is therefore good that the Governance Committee is leading a self-assessment to generate useful information on the structure and the Board's own performance.

5. Committee chair reports

- 5.1 The Chair invited each of the Committee Chairs to deliver reports on committee activity since the Board meeting in Geneva on 11-12 June 2013.

Executive Committee

- 5.2 The Chair delivered the report of the Executive Committee, noting that it had had two meetings since the Geneva Board meeting, an in-person meeting in New York in September and a teleconference on 1 November.
- 5.3 At the meeting in New York the Executive Committee had discussed the outcome of the first phase of the consultation process on the GAVI Strategy 2016-2020 and provided guidance on a number of options to be further developed.
- 5.4 The Committee had also received an update on the important collaboration with the Global Polio Eradication Initiative (GPEI) on taking the Polio Eradication Initiative forward and in particular on GAVI's role in relation to polio and routine immunisation.
- 5.5 The Executive Committee had also heard a report on GAVI's benchmarking of its vaccine procurement arrangements, and information on the process for the upcoming Board and Committee self-assessment.
- 5.6 The Chair informed the Board that during its teleconference on 1 November the Executive Committee had made a recommendation on updates for 2014 to the two-year business plan and budget, as well as approving the new IRC Terms of Reference.

Governance Committee

- 5.7 Geeta Rao Gupta, Board Vice Chair and Chair of the Governance Committee delivered the report of the Governance Committee, noting that it had met twice since the last Board meeting.
- 5.8 She encouraged all constituencies to consider joining the Committee and noted that the Committee's meetings are open to any Board member or alternate who wishes to observe.
- 5.9 She reported that the gender balance among the Board members remained in compliance with today's appointments but that the alternates remained outside the guidelines. However, the latter group was moving back in the right direction. She encouraged constituencies to develop a robust pipeline of

women candidates who are qualified and willing to serve when it was the time for their Board and alternate seat to turnover.

- 5.10 The Vice Chair also noted that the Governance Committee had addressed the Board's request to come back with a new recommendation on the Board Travel Policy. She commented that the Governance Committee would track the Policy's implementation, including costs and exceptions granted, and would review it in a year's time to determine if any changes were needed in view of experience.
- 5.11 The Vice Chair also reported on the work undertaken to conduct the Board's third self-assessment. Facilitated by McKinsey & Company, the purpose of the self-assessment was to assess governance practices overall, benchmark these practices versus the previous self-assessment conducted in 2011-2012, and determine whether the governance system is fit for purpose to implement the strategic plan now in development for 2016-2020. She highlighted that the four key and inter-related areas the self-assessment would address would be Board composition, committee composition and performance, individual commitment and turnover, and agility and speed of decision-making. Finally, she reviewed the method and timeline for the self-assessment, noting that the Board would discuss results during the April 2014 retreat.
- 5.12 The Unaffiliated Recruitment Subcommittee was moving to the interview stage, understanding that there was an immediate need to replace Dwight Bush and a pending need to choose successors for Wayne Berson and George W. Wellde. While the Subcommittee has identified good candidates with audit and investment experience, it was having difficulties in achieving a good gender balance.
- 5.13 Finally, the Vice Chair reported on the Governance Committee's efforts to formalise the eligibility criteria, selection process, and performance review of GAVI-funded special advisers for Board members. Advisers, while potentially providing good value, are a significant cost centre of the governance budget. The Committee has asked the Secretariat to propose guidelines for the Committee to discuss with the goal of ensuring that the Board is reaping value for what it is investing in advisers, an effort also supported by the Board Chair.

Discussion

- George W. Wellde outlined the efforts to find women to sit on the Investment Committee. He and Jeanne Shen, Chief Investment Officer, had interviewed over 20 women in the US, Europe, and Asia and had been ready to appoint an expert adviser but had been turned down at the last moment due to demands on the candidate's time. He encouraged Board members to put forward candidates who had relevant experience, particularly in running an endowment or foundation investment portfolio.

Programme and Policy Committee

- 5.14 Richard Sezibera delivered the report of the Programme and Policy Committee (PPC). He noted that the Committee had met on 9-10 October, including a joint session with the AFC, and had had a teleconference on 12 November.
- 5.15 At its meeting in October the CEO had updated the PPC on a number of key issues. PPC members had been particularly concerned in relation to the resolution by PAHO's Directing Council on its least price clause. In this context the PPC had expressed its continued support for the GAVI tiered pricing model and willingness to engage.
- 5.16 Beena Varghese, Vice Chair of the Monitoring Independent Review Committee (IRC) had reported to the PPC on the IRC's findings and recommendations. The PPC had noted that moving forward the Secretariat will compile the IRC recommendations on an annual basis and present them, along with a management action plan, to the PPC for consideration. This will allow the committee to systematically assess what issues, if any, should be brought to the Board for further consideration.
- 5.17 The PPC had received an extensive update from the Secretariat on Country Programmes, as well as reports on market shaping and monitoring and evaluation.
- 5.18 The PPC had agreed on a number of recommendations to the Board, four of which had just been approved under the Consent Agenda (IRC Member Emergency Appointments, Opening of a Funding Window for Japanese Encephalitis, Gender Policy Review and TAP Policy Review), and an additional four which would be presented to the Board during this meeting (Vaccine Investment Strategy, Polio and routine immunisation, GAVI engagement with graduating countries and the Update for 2014 to the two-year business plan and budget).
- 5.19 The PPC had also discussed the work being carried out on the development of a GAVI supply chain strategy and had agreed that further work was needed before bringing a proposed strategy to the Board for endorsement.
- 5.20 Finally the Chair referred to the PPC teleconference call which had been held on 12 November to complete discussions on GAVI's engagement with graduating countries. He informed the Board that the PPC had agreed on a revised recommendation, which he presented for information and for further discussion under the relevant agenda item. As Chair of the PPC he also requested that the Board decision note the PPC request to the Secretariat to carry out further analysis in relation to the implementation of the catalytic investments and the HSS support for countries currently in the graduation track. He also requested that the Board decision note that decisions made in relation to support for graduating countries do not pre-empt any decision to be made on graduation support in the 2016-2020 strategy.

Audit and Finance Committee

- 5.21 In the absence of Wayne Berson, Barry Greene, Managing Director of Finance and Operations and Treasurer, delivered the report of the Audit and Finance Committee, noting the Committee had met twice since the Geneva Board meeting, including once in joint session with the PPC.
- 5.22 In terms of audit and finance reporting, the Committee had met in executive session with the independent auditor; recommended to the Board approval of the 2012 Annual Financial Report, reviewed the US IRS Form 990, and had received a report from the internal auditor, Simon Lamb. The internal auditor reported that the 2012 audits of the GAVI Alliance, IFFIm Company, GAVI Fund Affiliate (GFA), and GAVI Campaign had each been completed and each received unqualified audit opinions. All tax and regulatory filings had been submitted or were on track. It had also recommended the Board reappoint KPMG as independent auditor for 2013.
- 5.23 The Committee had also received reporting from Simon Lamb on the TAP team's country activity; country reimbursement due to misuse; conclusions from the audit of GAVI's enterprise risk management processes; resourcing and coverage considerations for TAP and internal audit for 2014; development of communication protocols; and various risk assessment, audit planning, and issue tracking tools necessary to support the activities of his team.
- 5.24 Also, the Committee had reviewed updated financial forecasts, and had recommended to the Board approval of the 2014 programme funding envelope (see Section 6). In joint session, the Audit and Finance Committee and PPC together recommended to the Executive Committee that it in turn recommend to the Board approval of various amendments to the 2014 business plan budget.
- 5.25 Finally, Mr Greene noted that the Committee discussed the benchmarking of GAVI's vaccine procurement arrangements, the UNICEF procurement fee adjustment mechanism, the expanded whistleblower facility, amendments to the Budget Variance and Programme Funding policies, and had been updated on currency hedging activities, and the dissolution of the GFA.

Discussion

- When asked about the consequences for countries that do not timely submit audit reports, Simon Lamb, Managing Director of Internal Audit noted that the Transparency and Accountability Policy (TAP) team proactively monitors the submission of such reports and engages with countries as necessary if they have fallen behind in timely submission. He noted that through this engagement, countries have improved their responsiveness.
- With regard to the question of how the TAP policy is communicated to countries, Simon Lamb explained that the policy is a high level framework and that specific requirements for each country are included in the Aide Memoire.

This is agreed with countries and then signed by them and GAVI to evidence their mutual commitment.

- The Board requested the Audit and Finance Committee to consider sharing the audit management letter with the Board as a matter of course. It was confirmed that this is not possible under the current contract but it will be looked at to see if it would be possible in the future.

Investment Committee

- 5.26 George W. Welde, Jr delivered the report of the Investment Committee, which had met twice since the Geneva Board meeting. He reviewed the portfolio including composition, long-term asset allocation targets, and the positive effect of the Board's decision in November 2011 to reduce fixed income and add equity exposure. He reported that since inception, the net investment income of GAVI's portfolio was US\$ 397 million.
- 5.27 He reported that the Investment Committee was moving forward with a more flexible, transparent, and strategic approach that would allow the investment team the discretion to simplify portfolio management. In short, it would simplify asset strategies to better reflect their underlying market exposures and shift the focus to broad ranges rather than specific targets. He shared with the Board the Committee's long-term portfolio market exposure allocation. Finally, he noted that the Investment Committee and Chief Investment Officer would complete consultation with Board members regarding the proposed framework by the end of 2013 and that the CIO would deliver a revised Investment Policy Statement to the Investment Committee for approval in February 2014.

Discussion

- The Chair congratulated the Investment Committee and Secretariat investment team on their performance, noting that investment return to date served as the equivalent of another major donor to the GAVI Alliance.

Evaluation Advisory Committee

- 5.28 Sania Nishtar delivered the report of the Evaluation Advisory Committee (EAC) which had met in Geneva in July 2013.
- 5.29 She informed the Board that the EAC had approved an indicator for measles routine immunisation, an evaluation work plan for 2013, as well as given guidance on health systems strengthening evaluations and end-of-grant evaluations for countries that have graduated from GAVI support.
- 5.30 The EAC members had convened informally immediately prior to the EAC meeting to review implementation of the Full Country Evaluations. This prospective exercise will generate real-time learning which will be useful for countries, partners and the Board. The evaluations are taking place in Mozambique, Uganda, Zambia, Bangladesh and India. Annual reports will be

submitted to the EAC for consideration and outcomes will be reported back annually to the Board.

- 5.31 Within the context of the Full Country Evaluation in Bangladesh there will be an evaluation of the positive and negative effects of the Measles-Rubella campaign on routine services. Progress in India has been somewhat slower than the other four countries while the outcomes of India's HSS application and its application for additional support for pentavalent vaccine were pending. Work in the context of the Full Country Evaluations will begin in India in 2014 and will be more limited in scope than that in the other countries.
- 5.32 The EAC Chair also informed the Board that a request for proposals to evaluate GAVI's co-financing policy has just been issued. This evaluation will be a key input to inform the revision of the policy in 2014.

Discussion

- It was clarified that the timeframe for the Full Country Evaluations is five years.
- Board members noted that the first wave of evaluations of pneumococcal roll outs being conducted in the first year of the Full Country Evaluations are focusing on implementation and systems issues related to new vaccine roll out with the first reports available early next year. Preparations for the impact assessment work are underway now, but results will not be available until later in the evaluation.

6. Financial forecast and programme funding approvals

- 6.1 Barry Greene presented the updated financial forecast for 2011-2020 to the Board (Doc 06). Though Mr Greene noted that the 2016-2020 numbers are indicative, the Chair remarked that they are helpful for planning purposes and the work GAVI needed to do for replenishment.
- 6.2 Mr Greene also requested the Board to approve the 2014 programme funding envelope and a specific programme funding request for a yellow fever stockpile in 2014.

Discussion

- In response to questions from the Board Barry Greene reviewed the relevant portions of the Programme Funding Policy, which governs Board approval of a programme funding envelope. In short, the Secretariat is delegated authority to allot funding up the total amount of the envelope to continue or adjust vaccine programmes or to commence new cash programmes, all on the recommendations of the relevant Independent Review Committees. Should

there be need for funding above the Board-approved envelope, the Secretariat would need to come back to the Board for approval.

- Several Board members acknowledged the difficulty in forecasting future pledges and country demand. The Board encouraged the Secretariat to continue to perform scenario planning and to present those scenarios to the Board for planning purposes and, if necessary, to help inform trade-offs.
- During the next replenishment cycle, a critical component will be effectiveness of the funding: does GAVI achieve its goals and how well was the funding deployed to reach those goals.
- The Board noted that approximately \$200 million of cash inflow will be needed to complete the 2011-2015 strategy. The Secretariat advised that there was a high probability that these funds would be generated given the historical donation patterns of donors who, for whatever reason, cannot commit funding beyond annual appropriation cycles.
- Given the complexity of GAVI's funding, the Board requested the Secretariat to organise a financial briefing prior to the next Board meeting for interested Board members, which would provide the opportunity for more detailed discussion and clarification.

Decision Twelve

The GAVI Alliance Board:

- (a) **Approved** a contribution to the Yellow Fever stockpile for 2014 (as detailed in Sections 14 and 15 of Doc 06) and to that end:
 - i. **Endorsed** a net increase in programme budgets by US\$ 12.2 million for 2014. (These endorsements would constitute acknowledgement of such budget amounts but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)
 - ii. **Approved** a net increase of near-term programme liabilities (a sub-component of endorsed programme budgets) by US\$ 12.2 million for 2014.
- (b) **Approved** a 2014 Programme Funding Envelope for unrestricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2014, to:
 - i. Endorse or adjust previously endorsed amounts of programme multi year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US\$ 689 million. (These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding

approval, decision, obligation or commitment of the GAVI Alliance or its contributors.);

- ii. Establish or adjust near-term liabilities of the GAVI Alliance in respect of endorsed programme budgets for periods ending no later than 31 December 2015 for an aggregate amount not exceeding US\$ 1,245 million. (These amounts are a subcomponent of endorsed programme budgets.)

6a. Programme funding approvals (restricted countries)

6a.1 Barry Greene presented a programme funding envelope for restricted countries. During this agenda item, no US citizens or residents participated in discussion or voting.

Decision Thirteen

The GAVI Alliance Board in session without the participation of US citizens and residents:

- (a) **Approved** a 2014 Programme Funding Envelope for restricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2014, to:
 - i. Endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new cash programmes for an aggregate amount not exceeding US\$ 20 million. (These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.);
 - ii. Establish or adjust near-term liabilities of the GAVI Alliance in respect of endorsed programme budgets for periods ending no later than 31 December 2015 for an aggregate amount not exceeding US\$ 10 million. (These amounts are a sub-component of endorsed programme budgets.)

Tim Evans, Maria C. Freire, Geeta Rao Gupta, Orin Levine, George W. Wellde Jr Robert Clay, and Steve Landry did not participate in discussion or voting. Seth Berkley did not participate in discussion and was ineligible to vote. Wayne Berson was not present.

7. GAVI Alliance Strategy 2016-2020

- 7.1 Helen Evans, Deputy CEO, presented information to the Board on the development process of the GAVI Alliance Strategy 2016-2020 (Doc 07), highlighting that information on all options considered by the Executive Committee at its meeting on 27 September 2013 had been included in the paper to the Board.

Discussion

- Board members agreed that one of the successes of the GAVI Alliance is that it has a clear and targeted focus and that this should be maintained.
- A number of Board members agreed that for eligibility and graduation indicators beyond GNI should be explored. Concerns were raised however that a menu of support options might undermine the fundamental principle of countries financing their own immunisation programmes and attention should be paid to this. It might be necessary to take a country by country approach and this could be resource intensive.
- It was suggested that at the upcoming Board Retreat it might be useful to include a discussion on how the GAVI Alliance might relate to emerging eradication initiatives other than polio and how they might be integrated with GAVI Alliance's own work plans and country policies.
- It was proposed that there should be thinking around the longer term vision of what the GAVI Alliance represents in the world of global health. Although the new strategy will be for a five-year period it was suggested that it would be useful to already be looking at the Alliance's vision and mission beyond that timeframe.
- It was also suggested that more should be done in terms of going beyond the current donor financing model.
- It was noted that the GAVI Alliance should be careful about respecting the core strengths of other partners in the field and focus on its own core strengths rather than considering broadening its scope.
- It was noted that the GAVI Alliance business model is very successful and it was proposed that it should perhaps be used for the benefit of others and that this is an area which could be further explored.
- It was suggested that the long term strategy should be more country centric.
- Some Board members expressed a view that they would like to see more analysis done on what might be the trade-offs that the Alliance might have to make in the future.

- One Board member pointed out that because information already exists with regard to the number of countries that will still be GAVI-eligible in 2020 according to current criteria, the next strategy period could be considered a transition period leading to a time when there will still be a number of low performing countries requiring intensive support and who, according to current estimates, even at their current level of investment will not be reaching their immunisation targets.
- It was suggested that it would be useful to consider the need for innovative approaches, not only at the global level but that GAVI Alliance could also play a role in innovation at a regional or country level.
- The Board noted that it will be important to take into account the comparative advantage of the GAVI Alliance as both a fund and an alliance. The role of all GAVI Alliance partners, including the countries themselves who need to ensure sustainability of their immunisation financing is important, needs to be included in the strategy.
- One Board member acknowledged the reluctance for GAVI Alliance to integrate other commodities within its remit but suggested that the value of integrating at a country level should be explored. When children are brought for vaccines it should be possible for their families to benefit from other health interventions such as family planning, training around nutrition or distribution of bed nets.
- It was suggested that the Board should consider an ambitious strategy, testing new ideas to move towards the overall vision. This should enable the identification of bottlenecks and discussions on how these might be overcome. It would of course then also be necessary to consider the strategy in terms of resources.
- Board members agreed on the importance of a fully Board owned process and to achieve this that more opportunities for interactive discussion between Board members was needed. In terms of consultations with the Board between this meeting and the Board Retreat in April 2014 it was agreed that teleconferences would be convened for Board members. These would not be considered as formal Board meetings but organised discussions across constituencies. The Chair indicated that he may convene a full Board teleconference before the Board Retreat should the outcome of the consultations require this. The importance of Board members ensuring their engagement during this important consultation period was highlighted.
- It was agreed that in order to inform the consultations the paper submitted to the Executive Committee for its 27 September meeting should be recirculated to the Board.
- In light of the discussions a proposed revised decision from GAVI donors was presented to the Board for consideration.

- It was noted that some Board members felt strongly that it should be stated that the GAVI Alliance should play a central convening role in global immunisation but it was agreed after discussion that such wording would not be included in the Board decision. Richard Sezibera noted that his objection to this decision be noted.

Decision Fourteen

The GAVI Alliance Board:

- (a) Welcomes the consultation process, as well as the discussion and guidance provided by the Executive Committee in September 2013, and agree the strategic directions, including, but not limited to, the following topics:
 - i. Deepen GAVI's focus on supporting countries to improve coverage and equity of access to immunisation in order to sustainably strengthen immunisation;
 - ii. Review the eligibility and graduation criteria and the forms of support offered to graduating countries, in order to facilitate sustainable graduation from GAVI support;
 - iii. Continue to leverage the core strength of GAVI Alliance partners and also strengthen engagement with a wider network of institutions in order to ensure successful achievement of strategic goals and targets. This should be done in close relation with governments, in-country development partners and stakeholders;
 - iv. Continue to strengthen GAVI as an innovative development partner;
- (b) **Requested** the Secretariat to set up a process that includes the following steps:
 - i. A Board discussion on agreeing the elements of strategic orientations for GAVI and any high level shifts to be considered, which may include questions and topics additional to the ones proposed above (December 2013);
 - ii. Engagement of constituencies through workshops and other fora, including analytical work, in order to shape the detailed options for the Board to consider (February 2014);
 - iii. An update to the Board on the shaping of the options (March 2014);
 - iv. A Board retreat to agree on the strategic framework (April 2014).

8. Vaccine Investment Strategy

- 8.1 This item was chaired by GAVI Alliance Board Vice Chair, Geeta Rao Gupta. She reminded participants that Board members with conflicts of interest in relation to this item would be welcome to participate in the discussion but would recuse themselves from the vote.
- 8.2 Judith Kallenberg, Senior Specialist, Vaccine Investment Strategy, presented the outcomes from the 12-month long process of analysis and consultation (Doc 08).

Discussion

- Board members commended the Secretariat and partners for the transparent process and comprehensive analysis.
- In relation to the proposed decision on cholera stockpiles Board members welcomed that this would be time limited. One member expressed the view that stockpiles should not become a permanent feature of what GAVI does. In this context the Board requested the Secretariat to work with Alliance partners to monitor and evaluate investment in stockpiles.
- Board members noted that there is already quite a lot of experience in managing stockpiles. The cholera vaccine being used for the stockpile is being rotated by the manufacturer to ensure a proper shelf-life and there is an aim to use part of the stockpile for pilots in endemic settings to look at the use of the vaccine in recurring, preventative campaigns. Board members also noted a comment from UNICEF Supply Division that establishing a stockpile is a strategy to help overcome some of the shortcomings of the vaccine market.
- Board members also noted that programmatically the implementation of cholera vaccine campaigns must be done in coordination with water and sanitation interventions and is therefore another reminder of the importance of working in an integrative approach not only on the ground but also on the global level.
- Board members noted the plan to convene a group of stakeholders in 2014 to refine the plan for the assessment of the feasibility of GAVI support for rabies vaccines, and for this assessment to be outsourced in a competitive procurement process.
- Board members noted that, in line with the proposed decision in relation to a malaria vaccine, the Board would be asked at an appropriate time to consider the final investment case for the vaccine. Board members acknowledged that one of the challenges in relation to the malaria vaccine is that as it is still in development it is not yet possible to definitively determine what the impact and operational feasibility will be. Board members noted that the decision process for a malaria vaccine should be linked with on-going technical and

policy review processes. Board members also noted the importance of ensuring that any efforts in relation to the malaria vaccine in the future be taken forward with other existing malaria interventions, many of which are highly cost-effective.

- In the context of this discussion the CEO clarified that from discussions with the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) there is a preliminary assumption that if a malaria vaccine was available and a window was approved GAVI would be responsible for implementation in GAVI countries. It would of course be necessary to work closely with GFATM to ensure coherence with other malaria interventions.
- Board members noted the importance for the vaccine manufacturers and GAVI's market shaping efforts of the VIS process. Board members also noted that the lead time for a malaria vaccine may be as high as 18 months and in this context manufacturers will need an assured market before starting production.
- The Board noted a request from the CSO constituency to open a funding window for maternal influenza vaccine and to leave open the possibility of GAVI support for a rabies vaccine before the next VIS process. The Board also noted a request from the GAVI countries in the PAHO region to consider including a dengue vaccine in the portfolio. In this context the CEO reminded participants that it was the Board itself that had agreed that GAVI's vaccine portfolio be looked at every five years. Because of the exceptional nature and vaccine development timelines of malaria it is recommended that the Board reviews the updated case for a malaria vaccine in advance of the next VIS. It would be the Board's prerogative to consider other specific vaccines outside of the normal process should it wish to do so in the future.

Decision Fifteen

The GAVI Alliance Board:

- (a) **Decided** to support new yellow fever vaccine campaigns and request the Secretariat to develop a process for the funding of individual campaigns on the basis of robust risk assessments.
- (b) **Approved** a contribution to the global cholera stockpile for use in epidemic and endemic settings and to that end:
 - i. **Endorsed** a net increase in programme budgets for the global cholera stockpile by US\$ 114.5 million for the period 2014-2018. (This endorsement would constitute acknowledgement of such budget amounts as an indication of potential future expenditures but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.);

- ii. **Approved** a net increase of near-term programme liabilities for the global cholera stockpile (a sub-component of endorsed programme budgets) by US\$ 8.5 million for 2014;
 - iii. **Noted** the opportunity for the GAVI Alliance to generate impact data based on the use of the cholera stockpile in emergency settings.
- (c) **Approved** an assessment of the feasibility of GAVI support for rabies vaccines (to be evaluated in the next Vaccine Investment Strategy process). A funding request for the outsourced assessment will be included as part of the Business Plan in 2015.
- (d) **Noted** that based on the current assessment there is a reasonable case for GAVI support for a malaria vaccine, and that the Board will consider opening a window if and when the vaccine is licensed, recommended for use by the joint meeting of the WHO Strategic Advisory Group of Experts and the Malaria Programme Advisory Committee (expected in 2015) and WHO prequalified, taking into account updated projections of impact, cost and country demand as reviewed by the Programme and Policy Committee (PPC).
- (e) **Noted** the potential public health impact of vaccinating pregnant women against seasonal influenza and the need to assess the emerging evidence of impact of vaccination on neonates, but decides not to open a funding window for influenza vaccines at this time.
- HRH Infanta Cristina of Spain (Unaffiliated Board member), Maria C. Freire (Unaffiliated Board member) and Mahima Datla (Vaccine Industry Developing Countries) recused themselves and did not vote on a) to e) above.*
- (f) **Approved** an amount up to US\$ 1.5 million to be added to the 2014 Business Plan to implement the Board's VIS decisions through Secretariat and partner activities as described in section 5.2 of Doc 07 to the PPC.

Jean-Marie Okwo-Bele (WHO) and Shanelle Hall (UNICEF) recused themselves and did not vote on f) above.

9. Chair's reflections on the day

- 9.1 The Chair provided some reflections on the Board's deliberations thus far, in particular in relation to the discussion on the GAVI Alliance Strategy 2016-2020 and the importance of ensuring that both the short term and long term strategies can be adjusted in line with the changing landscape.

10. Chair's overview

- 10.1 The Chair referred briefly to the discussions held on the previous day and introduced a short film on immunisation in Indonesia.

11. Risk management

- 11.1 Helen Evans delivered the quarterly risk monitoring report and reviewed the Alliance risk register which tracks the evolution of key risks faced by GAVI (Doc 11a). She reported that as of the end of Q3 2011, the high risks identified were vaccine management in country; capacity to oversee and manage programmes and grants and to minimise misuse of funds; poor data quality on immunisation coverage informing GAVI decision-making; failure to sustain investment in vaccines and impact after graduation; vaccine supply shortages; inability to sustain current low pricing of vaccines for GAVI eligible countries; and Secretariat workload, development, and succession planning.
- 11.2 Simon Lamb emphasised that risk is defined as the possibility that an organisation will not achieve its objectives. In that spirit, he noted that as an ambitious organisation, GAVI must take on risk, not simply avoid it. Instead, GAVI should have a robust risk management strategy to achieve its objectives while limiting the possibility that any identified downsides will come to pass.
- 11.3 Mr Lamb presented the results of Internal Audit's audit of enterprise risk management (Doc 11b). He reported that the enterprise risk management (ERM) framework established in GAVI was effective and operated well as many of the processes and methods were consistent with best practice. Nonetheless, he noted that enterprise risk management is a process which should be continually reviewed and enhanced as an organisation grows and matures, and certain findings were made which would strengthen the framework of risk identification and management.

Discussion

- The Chair noted it was useful that Simon Lamb had come in with fresh eyes to review the GAVI risk management process. He also emphasised a point he made at the June 2013 meeting that the Internal Auditor should ensure he keeps the Board informed as to the resources he needs and to continue benchmarking GAVI's practices vis-à-vis other organisations. The Internal Auditor confirmed he would keep the Board apprised.
- Simon Lamb noted more generally that GAVI takes on risks that far exceed what one would expect a relatively small staff to manage – particularly management of billions of dollars and working in the poorest countries of the world. Taking note of this, some Board members encouraged the Secretariat to consider whether efficiencies can be found, particularly through leveraging the capabilities of the partners.

- The Board welcomed the offer of the World Bank to offer its capabilities to monitor risk on the ground in GAVI countries. It was noted that GAVI relies on its partners to perform this work and the World Bank in particular has a comparative advantage. The Secretariat is also working with the Global Fund on fiduciary risk monitoring.
- The Board noted that the Secretariat is planning to develop a Risk Policy to consolidate in one place GAVI's risk identification and mitigation procedures. Robust mechanisms already exist and enterprise risk management is already good but the Risk Policy should allow clearer alignment on risk tolerance and where GAVI should be strategically taking on risk.
- The manufacturers encouraged partners to recognise the fundamental equity principles of tiered pricing and to preserve a policy environment that enables individual suppliers to apply tiered pricing in accordance with the economic status of countries. Limitations on this ability create the risk that companies will no longer be able to supply new vaccines to the poorest populations at affordable prices.
- One Board member sought clarification on what is meant by 'misuse.' Mr Lamb noted that in the context of the Transparency and Accountability Policy, the term encompasses more than fraudulent use to include worthy but ineligible uses and mistaken use.

12. The Road to Replenishment 2016-2020: Resourcing GAVI's long-term country demand

- 12.1 The CEO introduced this item and informed the Board that given the importance of the replenishment process he will be taking a leadership role to ensure success. He highlighted the importance of leadership from donor and developing countries. He also referred to the role the vaccine manufacturers had played in the last replenishment and that such a role going forward would also be important for the Alliance.
- 12.2 Marie-Ange Saraka-Yao, Director, Resource Mobilisation, presented an update to the Board on the replenishment process (Doc 12).
- 12.3 The Chair expressed his view that the Mid-Term Review (MTR) had demonstrated the importance of the Alliance working together to present a concrete and compelling message. He stressed that it is the responsibility of players at a high level throughout the Alliance to lead the replenishment process, in particular to assist in broadening the donor base.

Discussion

- Board members agreed that it is important to look at the past in terms of results but stressed the importance now of looking more towards the future, in particular if potential funding gaps are already being identified.
- Some Board members expressed concern about the resources required to attract and maintain relationships with private sector donors. A Board member suggested that it might be useful to have a strategy on this going forward, also taking into account the expertise that some of these donors can bring to the Alliance in addition to funding. The CEO acknowledged the need to ensure that private sector engagement and resources are aligned to critical strategies and areas where improvements are needed and that a strategy was being developed.
- Board members agreed that it would be important to see a strong message coming from developing countries in terms of co-financing and that it would be important to start a dialogue with finance ministers to ensure that they are fully on board.
- The Board member representing the World Bank suggested that it might be useful to do a comprehensive assessment of what GAVI has achieved to date in terms of a benefits and cost analysis and indicated that the Bank would be willing to assist with such an exercise. The CEO appreciated the offer but also expressed some reluctance to launch such a major study at this time.
- It was suggested that it would be useful to have clarity on whether GAVI is an organisation which will continue to exist in the long term as the answer to such a question will be important in determining how funds are replenished. The long term strategy and the choice of vaccines in the portfolio are integral to determining the replenishment strategy and must be considered in this context.
- Board members recognised the challenge of replenishment during a time when a number of the current donors are facing financial challenges but also at a time when GAVI also has to defend itself as an organisation against competing demands. It was agreed that it will be important to broaden the donor base for the next replenishment cycle.
- Board members welcomed offers of support from UNICEF and the CSO constituency to help ensure a successful outcome of replenishment.

13. Polio and routine immunisation

- 13.1 The CEO made some introductory remarks, highlighting that polio eradication is not the responsibility of GAVI but that it makes sense to use GAVI's skills and mechanisms to move forward and help strengthen routine immunisation.

- 13.2 Alan Brooks, Special Adviser for Immunisation, gave a presentation to the Board on the proposed role for GAVI in the Polio Eradication and Endgame Strategy, including updated budget estimates of vaccine and introduction grant costs, estimates of country readiness costs and business plan related costs (Doc 13). He noted that many Alliance partners and Secretariat members had contributed to the work behind the Board paper.
- 13.3 The Chair reminded participants that Board members with conflicts of interest in relation to this item would be welcome to participate in the discussion but would recuse themselves from the vote.

Discussion

- Richard Sezibera, in his capacity as Chair of the PPC, reminded Board members that the recommendations from the PPC to the Board were the result of many iterations, based on long discussions and consultations with donors and developing country representatives, for which he wished to thank all involved.
- Board members expressed satisfaction with the progress on discussions between GAVI and GPEI since the June 2013 Board meeting and noted that GAVI donors have committed to collectively fund the needs for GAVI for IPV. The Chair commended the donors for responding to the conditions clearly set out by the Board at its June 2013 meeting to ensure that additional funding is provided for GAVI to introduce IPV so as not to affect GAVI's core portfolio.
- Board members agreed that it is clear that GAVI has an important comparative advantage when introducing new vaccines into routine immunisation programmes and has therefore a critical role to play in this when it comes to the common effort to eradicate polio.
- Board members reiterated the importance of ensuring that GAVI's role in the polio eradication initiative does not endanger the core business of GAVI and noted that the proposed decision includes business plan funding to mitigate the associated risks of IPV implementation.
- Board members underscored this initiative as an opportunity to strengthen routine immunisation in countries.
- Board members noted that there is not yet a recommendation on coverage targets for IPV.
- Some concerns were expressed about the overall governance of the implementation of the Endgame Strategy and ensuring stronger oversight and governance in this context was encouraged.
- Board members noted the importance of ensuring that all in country partners, including bilaterals, are included in polio-related discussions at the country level.

- Board members noted that there is reluctance in some GAVI countries in relation to this initiative and that there is therefore a need to be particularly vigilant in the planning, management and monitoring of IPV introduction to ensure that gaps are not created.
- Board members acknowledged the importance for graduating countries of being included in GAVI's IPV implementation plans and that the exemption from co-financing requirements is significant to ensure programmatic and financial sustainability. It was pointed out that IPV introduction should not jeopardise the smooth implementation of graduation plans supported by GAVI. The importance of communicating to graduating countries about the eligibility of IPV versus other new vaccines in order to avoid misunderstandings was also highlighted.
- Board members noted that the production costs for IPV are relatively high and that IPV was historically produced at much lower capacity to what will now be needed. Accurate demand forecasting including clear preferences on presentation will therefore be essential to ensure availability.

Decision Sixteen

The GAVI Alliance Board:

- (a) **Endorsed**, recognising the Global Polio Eradication Initiative's (GPEI) responsibility for eradicating polio, GAVI's overall objected related to polio eradication to improve immunisation services in accordance with GAVI's mission and goals while supporting polio eradication by harnessing the complementary strengths of GAVI and the Global Polio Eradication Initiative (GPEI) in support of countries.
- (b) **Opened** a funding window for IPV such that the GAVI Secretariat can invite GAVI eligible and graduating countries (the "GAVI IPV Eligible Countries"), in line with the GPEI Endgame Strategy 2013-2018, to submit country proposals for support in accordance with the following policy arrangements and exceptions:
 - i. Accept IPV applications until June 2015 with introduction targeted by the end of 2015. However, should the need arise, following review by GAVI's CEO and in consultation with GPEI, the funding window could remain open for a longer period;
 - ii. Subject to polio-specific additional funding being available beyond 2018, provide support for GAVI IPV Eligible Countries until the Endgame target for stopping vaccination of approximately 2024 or an appropriate exit strategy for GAVI has been identified prior to 2024;
 - iii. Approve an exception to the programme filter requirement set out in the GAVI Alliance Country Eligibility Policy so that countries with DTP3 coverage less than 70% are eligible to apply for the IPV vaccine;

- iv. While encouraging countries to co-finance IPV, exempt IPV co-financing requirements for GAVI IPV Eligible Countries;
 - v. Approve an exception to the GAVI Alliance Co-Financing Policy so that GAVI IPV Eligible Countries can be approved for IPV vaccine even if they are in default on co-financing requirements of other vaccines;
 - vi. Decide that GAVI Graduating Countries approved for IPV routine introduction with GAVI support are eligible for a vaccine introduction grant per the terms stipulated in the GAVI Alliance Vaccine Introduction Grant and Operation Support for Campaigns Policy;
 - vii. Exclude IPV vaccine from the existing prioritisation mechanism given that the funding for IPV will be additional and earmarked. However, in the event that the additional, earmarked funding for IPV is anticipated to be insufficient to cover all GAVI IPV Eligible Countries approved for IPV support, GAVI will use polio funding to: 1) continue support for routine use where already introduced, if relevant, and 2) rely on guidance from GPEI to prioritise countries which have not yet introduced IPV, as well as countries that have not yet applied;
 - viii. All policy exceptions mentioned above will be reviewed by the Board in 2018.
- (c) **Approved**, subject to endorsement by the Audit and Finance Committee, using a funding envelope mechanism consistent with the principles of the GAVI Alliance Programme Funding Policy to fund approved IPV applications with the exception that any application from India related to IPV will be considered by the Board.
- (d) **Approved**, subject to endorsement by the Audit and Finance Committee and to polio-specific additional funds being made available from donors, an initial IPV Funding Envelope from which the Secretariat shall allot funding to IPV programmes until 31 December 2014, to:
- i. Endorse or adjust previously endorsed amounts of programme multi-year budgets for IPV programmes for an aggregate amount not exceeding US\$ 231 million. (These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)
 - ii. Establish or adjust near-term liabilities of the GAVI Alliance in respect of endorsed IPV programme budgets for periods ending no later than 31 December 2015 for an aggregate amount not exceeding US\$ 121 million. (These amounts are a subcomponent of endorsed programme budgets.)

Mahima Datla (Vaccine Industry Developing Countries) recused herself and did not vote on a) to d) above.

- (e) **Approved** an amount up to US\$ 12.1 million for polio-related Secretariat and partner costs to be added to the 2014 Business Plan, subject to polio-specific additional funds being made available from donors.

Jean-Marie Okwo-Bele (WHO) and Shanelle Hall (UNICEF) recused themselves and did not vote on e) above.

14. GAVI engagement with graduating countries

- 14.1 Hind Khatib-Othman, Managing Director, Country Programmes, presented this item to the Board (Doc 14).
- 14.2 Richard Sezibera, in his capacity as Chair of the PPC, reminded Board members that the PPC had had extensive discussions on this item. He clarified that the discussions were not on graduating countries in the context of the new GAVI Strategy, which will come later, but to address current issues of concern. He referred to the proposed amendment to the recommendation which he had presented to the Board on the previous day during his PPC Chair report, and which had arisen from a teleconferenced with the PPC on 12 November 2013. He confirmed that he had consulted with representatives from the developing country constituency, in particular those with graduating countries, and informed the Board that those countries were comfortable with the amendments proposed.

Discussion

- A further amendment from a group representing a number of Board constituencies was proposed. This amendment clarified that investments to graduating countries would be time-limited and would not extend beyond the graduation period.
- Representatives from the vaccine manufacturers supported the overall approach. Board members noted in terms of pricing discussions that there are concerns and limits in respect of anti-trust laws for companies to enter discussions as a group but individual companies remain ready to have the appropriate discussions with countries on the graduation track.
- Board members noted that the recommendations were developed following consultation with some graduating countries and that they remained fully committed to their responsibilities in relation to GAVI's co-financing and graduation policies.
- Board members recognised that for many of the GAVI graduating countries GAVI is not the only donor that is phasing out support and that the additional support proposed will be critical to ensure financial and programmatic sustainability.

Decision Seventeen

The GAVI Alliance Board:

- (a) **Approved** the provision of support for time-limited catalytic investments to graduating countries for the implementation of their graduation plans. The duration of this support covers only the period until a country is graduated and does not extend the graduation period.
- (b) **Approved** that countries entering the graduation process after 31 December 2013 will be eligible to apply for new support (HSS and vaccine support) until the end of the next calendar year after the date they have been informed of their expected graduation. Vaccine and HSS support may be provided to countries until they graduate. However, HSS support will only be available to such countries with a DTP3 coverage below 90%.
- (c) **Approved** that, to address issues of low immunisation coverage, countries that have entered the graduation process prior to 31 December 2013 and that have a DTP3 coverage below 90% are eligible to apply for HSS support that may be provided until they graduate.
- (d) **Requested** the Secretariat to conduct analyses and consultations to develop and propose instruments to support access to affordable prices for all Lower Middle Income Countries (LMICs), including graduated countries and non-GAVI LMICs. Options would be brought to the Board for consideration in 2014.
- (e) **Approved** an amount up to US\$ 2 million to be added to the 2014 Business Plan for the GAVI Secretariat and partners to scale-up engagement with graduating countries.
- (f) **Noted** that the PPC requested the Secretariat, working with the Immunisation Financing & Sustainability task team and key stakeholders, to conduct further analysis in relation to the implementation of the catalytic investments and HSS support for countries currently in the graduation track and to report back to the PPC;
- (g) **Noted** that the decisions made in relation to support for graduating countries do not pre-empt any decision to be made on graduation support in the 2016-2020 Strategy.

15. Update for 2014 to two-year business plan and budget

- 15.1 In 2012, the Board approved a two year business plan and budget including annual deliverables, activities, and budgets for 2013 and 2014 for implementing partners and the Secretariat. Based on experience to date, Helen Evans and Barry Greene proposed adjustments to the business plan and budget to achieve the yearly deliverables approved in 2012 (Doc 15).

These adjustments included funding for the four new initiatives: IPV, the Vaccine Investment Strategy, enhanced programmatic support to graduating countries, and supply chain management, presented separately at this Board meeting.

- 15.2 In proposing the adjustments, they noted that the Audit and Finance Committee and Programme and Policy Committee in joint session had recommended the adjustments to the Executive Committee, which in turn, recommended the modifications to the Board.

Discussion

- The Board commended the Secretariat on a good plan with clear deliverables.
- The Board discussed the staffing needs to accomplish the business plan. Some Board members noted that business plan expenses as a proportion of programme expenditures has decreased from 18% to 10% from 2010 to 2014, and that serious messages had been delivered that the Secretariat is buried in work without the space to step back and look at the big picture. Other Board members stated that pressure remains to bring down administrative costs and that it is important to look at GAVI's operating model to see what expenses are truly necessary to accomplish the work, and how the work could be done more efficiently.
- When asked to comment, the CEO noted the trade-offs: given the deliverables expected, the Secretariat can get by with current staffing levels but will need to be selective in the work it takes on, the consultation it can achieve, and the level of risk it can manage. Higher staffing levels would allow more space for the big picture thinking some Board members advocated.
- It was noted that some organisations had put in place management metrics to track organisational effectiveness. The Board agreed that any Board member that had helpful performance or efficiency metrics should share them with the CEO. The CEO should then report back to the Board his thoughts on those metrics and how they might be incorporated into reporting.

Decision Eighteen

The GAVI Alliance Board:

- (a) **Approved** a US\$ 1.74 million increase for WHO to implement its part of the 2014 Business Plan, contingent upon approval by the GAVI Alliance CEO of a set of quarterly deliverables.
- (b) **Approved** a US\$ 1.76 million increase for UNICEF Programme Division to implement its part of the 2014 Business Plan, contingent upon approval by the GAVI Alliance CEO of a set of quarterly deliverables.

(c) **Approved** a US\$ 1.39 million increase for civil society organisations for activities under the 2014 Business Plan, contingent upon approval by the GAVI Alliance CEO of a set of quarterly deliverables.

(d) **Approved:**

- a US\$ 5.88 million increase for the Secretariat operating expenses for the 2014 Business Plan.
- a US\$ 0.70 million increase to the Secretariat's capacity to enter into expanded partnerships for the 2014 Business Plan.
- US\$ 3.6 million for capital expenditure needs of the Secretariat to support work of the GAVI Alliance in 2014.

(e) **Approved** an amount up to US\$ 3.9 million to be added to the 2014 Business Plan for spending on supply chain activities.

Board members whose organisations or constituencies received funding under this decision did not vote on such funding.

16. Country Programmes update (incl. health and immunisation systems strengthening)

16.1 Hind Khatib Othman, Managing Director, Country Programmes, presented an update on Country Programmes to the Board (Doc 16).

Discussion

- Board members expressed their appreciation for the work of the Country Responsibility Officers (CROs), noting that they are building better relationships with in-country partners who retain an essential role on the ground for the Alliance.
- The Board member representing the CSO constituency indicated that it would be useful if CRO's could follow up in country on the CSO platforms which have been included for support in HSS applications. It would appear that there are a number of instances where once grants have been approved the CSO's are not being used to carry out the activities for which they had been identified in the proposal.
- Board members agreed that it would be useful to have an overview of HSS disbursements in country and what the funding is being used for as well as information on where there are issues that cannot be solved through financial support. It was noted that the HSS TAG has advised that resources should not be used for gap filling but to address issues identified through bottleneck analyses.

- The Secretariat clarified that assessments are carried out regularly and referred in particular to some ongoing activities to understand the role of Measles Supplementary Immunisation Activities on strengthening routine immunisation. All GAVI funded programmes are monitored and progress documented.
- Board members noted that with the implementation of the Grant Application, Monitoring and Review process (GAMR), countries will be encouraged, when submitting Expressions of Interest for new vaccine support, to identify their needs in terms of technical assistance so that this can already be addressed before proposals are submitted.

17. IFFIm report

- 17.1 René Karsenti, Chair of the IFFIm Board, delivered an update on the International Finance Facility for Immunisation. He was joined by Marcus Fedder, IFFIm Board member. Mr Karsenti reviewed IFFIm's market activity during 2013 including a landmark 3 year floating rate benchmark that raised US\$ 700 million at a cost that was less than what it would have cost IFFIm's donors together to raise the same amount at a similar maturity. He also reviewed IFFIm's funding of GAVI programmes, donor outreach, and socially responsible investing (SRI) and investor outreach.

Discussion

- The GAVI Chair referenced the important IFFIm donors meeting held on the margins of the GAVI Board meeting and noted that the IFFIm directors were both good stewards but also important ambassadors for GAVI in the financial sector. There is increasing demand for socially responsible investment products and IFFIm has positioned itself as a premier vehicle in this area.
- The IFFIm board told its donors that it continually performs scenario planning – particularly with regard to the risk of a major credit downgrade and donor default. The IFFIm board shared with the donors and the GAVI Board its mitigation strategies.
- The IFFIm board had reminded its donors that although the frontloading rationale had been paramount in 2006, IFFIm more importantly today allows donors to decouple the timing of donor payments from when GAVI wants to disburse funds for programmes. This flexibility for donors and GAVI adds considerable value.
- It was noted that the early success of IFFIm was driven in large part by the commitment of heads of government to fund it. Today, the replenishment of IFFIm will be based on experience and a series of benefits that the instrument has now proved it can bring. IFFIm is an essential component of GAVI's financial future.

18. Review of decisions and actions

- 18.1 Debbie Adams, Managing Director, Law and Governance and Secretary to the Board, reviewed and agreed the language of the decisions and actions with the Board.

19. Closing remarks and any other business

- 19.1 The Chair expressed his thanks to the Minister of Health of the Kingdom of Cambodia, his staff, and in country partners, for their invaluable assistance, in particular in relation to the field visits organised for meeting participants.
- 19.2 He also expressed his thanks to the Secretariat staff and mentioned in particular Nina Schwalbe, Managing Director, Policy and Performance, attending a GAVI Board meeting for the last time as a member of staff. He thanked her for her hard work and dedication to GAVI over the years as a driver of some of the key policies for the Alliance and wished her well for her future.
- 19.3 The Chair also shared with the Board a letter from Dwight Bush who has recently resigned from the Board following his appointment as US ambassador to Morocco.
- 19.4 Finally the Chair confirmed that the Board Retreat in April 2014 would be held in Berlin, Germany.
- 19.5 After determining there was no further business, the meeting was brought to a close.

Mr Dagfinn Høybråten
Chair of the Board

Ms Debbie Adams
Secretary to the Board

Participants

Board Members

- Dagfinn Høybråten, Chair
- Geeta Rao Gupta, Vice Chair
- Joan Awunyo-Akaba
- Zulfiqar A. Bhutta
- Donal Brown
- HRH the Infanta Cristina of Spain
- Jenny Da Rin
- Mahima Datla
- Tim Evans
- Maria C. Freire
- Ashutosh Garg
- Orin Levine
- Yifei Li
- Anders Nordström
- Jean-Marie Okwo-Bele (Alternate)
- Ruhakana Rugunda
- Angela Santoni
- Walter Seidel
- Richard Sezibera
- Andrei Usatii
- George W. Wellde Jr.
- Seth Berkley (non-voting)

Alternates Observing

- Hussein Ali Mwinyi
- Robert Clay
- Armin Fidler
- Micheline Gilbert
- Shanelle Hall*
- Juliman Fuad
- Steve Landry
- Emmanuel Lebrun-Damiens
- Bheri Ramsaran
- Beate Størø
- Samba Sow
- José Luis Solano
- Naveen Thacker

* Served as the eligible organisation's voting member per Section 2.6.5 of the By-Laws

Regrets

- Wayne Berson
- Dwight Bush
- Flavia Bustreo
- Awa Marie Coll Seck
- Suraya Dalil
- A.F.M. Ruhul Haque
- Pe Thet Khin (Alternate)
- Dorothée Kinde-Gazard (Alternate)
- Olga Popova (Alternate)
- Saleh Banoita Tourab (Alternate)
- Johan Van Hoof

Additional Attendees

EVALUATION ADVISORY COMMITTEE

Dr Sania Nishtar, Chair Evaluation Advisory Committee

IFFIm

Dr René Karsenti, IFFIm Board Chair

Mr Marcus Fedder, IFFIm Director

WORLD HEALTH ORGANIZATION

Dr Niyazi Cakmak, Technical Officer, Group Lead (Immunization Systems Strengthening & New Vaccines), Denmark

Mr Michel Zaffran, Coordinator, Expanded Programme on Immunization

UNICEF

Mr Jonathan Cauldwell, Senior Advisor

Ms Meredith Shirey, Chief, Vaccine Center, Supply Division

Dr Jos Vandelaer, Chief, Immunization

BILL & MELINDA GATES FOUNDATION

Dr Nicole Bates, Deputy Director, Global Policy & Advocacy

Dr Violaine Mitchell, Director of Country Immunization Programs

Dr Brad Tytel, Program Officer

DONOR GOVERNMENTS**AUSTRALIA**

Ms Christine Sturrock, Director, Health and Education Funds Section, Department of Foreign Affairs and Trade (DFAT), Australia

Dr Chris Vickery, Health Advisor, Department of Foreign Affairs and Trade (DFAT), Cambodia

GERMANY

Mr Marcus Koll, Federal Ministry for Economic Cooperation and Development (BMZ)

Ms Birgit Strube, German Embassy Phnom Penh

IRELAND

Mr Patrick Empey, Senior Development Specialist Global Health, Department of Foreign Affairs, Ireland

ITALY

Ms Francesca Manno, Director, International Affairs Directorate, Treasury Department, Ministry of Economy and Finance

JAPAN

Ms Kaori Fukushima, Global Issues Cooperation Division/ Global Health Policy Division

International Cooperation Bureau, Ministry of Foreign Affairs of Japan

NETHERLANDS

Mrs Marieke Boot Senior Policy Adviser, Netherlands Ministry of Foreign Affairs

NORWAY

Ms Lene Lothe, Senior Adviser, Norad

SWEDEN

Ms Ulrika Ferenius, Deputy Director, Ministry of Foreign Affairs Sweden

Mrs Ann Måwe, Head of UN section, Department for Multilateral Development Cooperation, Ministry for Foreign Affairs

UNITED KINGDOM

Mr Raj Baisya, Policy & Programme Manager, GAVI, Department for International Development (DFID)

Mr Jason Lane, Senior Health Adviser, Global Funds Department, Department for International Development (DFID)

UNITED STATES OF AMERICA

Ms Susan McKinney, Senior Technical Advisor for Immunization, USAID

Dr Rebecca Martin, Director of Global Immunization Division, U.S. CDC

VACCINE INDUSTRY - DEVELOPING COUNTRY

Mr Yongzhong Gao, General Manager, Xiamen Innovax Biotech Co., Ltd.

Dr Suresh Jadhav, Executive Director, Serum Institute of India

Dr Xiang Liao, Xiamen Innovax Biotech Co., Ltd.

Dr Sonia Pagliusi, Executive Secretary, DCVMN, Geneva

Dr Venkatraman Sivaramakrishnan, Bharat Biotech International Ltd.

Dr Rajinder Suri, Chief Executive, Biologicals Panacea Biotech Ltd.

VACCINE INDUSTRY - INDUSTRIALISED COUNTRY

Ms Lynn Bodarky, Senior Director, Developing World, Global Vaccines, Pfizer

Mrs Laura Laughlin, Senior Director, Vaccination Policy, Sanofi Pasteur

Dr Joan Benson, Executive Director, Strategic Partnerships Engagement, Merck

CIVIL SOCIETY ORGANISATIONS

Ms Jane Piot, GAVI CSO Constituency Communications Focal Point

Ms Roma Soloman, CORE Group Polio Project

Dr Filimona Bisrat Semunigus, Consortium of Christian Relief and Development Association (CCRDA)/ CORE Group

RESEARCH AND TECHNICAL HEALTH INSTITUTES

Dr Alfred Da Silva, Executive Director, Agence de Médecine Préventive (AMP)

SPECIAL ADVISERS

Ms Cristina Gaberi, Special Adviser to the Board Member from Moldova
Mr Gian Gandhi, Special Adviser to the GAVI Alliance Board Vice-Chair
Dr Nazmul Huda, Special Adviser to the Board Member from Bangladesh
Mr Aksel Jakobsen, Special Adviser to the GAVI Alliance Board Chair
Mr Stephen Karengera, Special Adviser to the Chair of the PPC
Dr Eimal Latif, Special Adviser to the Board Member from Afghanistan
Ms Anne-Marie Mbengue-Seye, Special Adviser to the Board Member from Senegal
Dr Fred Musoke Sebisubi, Special Adviser to the Board Member from Uganda
Ms Silvia Noguer Figuerol, Special Adviser to H.R.H. the Infanta Cristina of Spain
Ms Eunice Peregrino Dartey, Special Adviser to the Board Member for Civil Society Organisations
Ms Carol Piot, Special Adviser to the Chair of the IFFIm Board

OTHER OBSERVERS

Dr. Cuauhtemoc Ruiz Matus, PAHO
Ms Naina Dhingra, McKinsey & Company
Dr Dayanath Jayasuriya, President's Counsel, Asian Pathfinder Legal Consultancy Services
Dr Yue Liu, Division Director, National Health and Family Planning Commission, China
Mr Wayne A. Madden, Immediate Past President, Lions Clubs International, Chairperson, Lions Clubs International Foundation
Ms Meng Li, Deputy Director, China National Biotec Group Company Limited
Dr Daniel Miller, Associate Director, Vaccine Access and Delivery Global Program, PATH
Dr Kathleen Neuzil, Director, Vaccine Access and Delivery, PATH
Mr Emmanuel Niyonkuru, Protocol Officer, East African Community Secretariat
Mr Chris Plunkett, Regional Development Specialist, ISSAAME and ANZI Lions Clubs International Foundation
Mr Bill Roedy, Former Chairman & Chief Executive, MTV Networks Int'l
Dr Dipika Sur, PATH
Mrs Lingjiang Yang, Manager of International Business and Cooperation, Chengdu Institute of Biological Products Co., Ltd.
Ms Yang Zhang, Deputy Director General, National Health and Family Planning Commission, China