



Report to the GAVI Alliance Board

7-8 July 2011

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Report of:	Helen Evans, Interim CEO
Authored by:	Daniel Thornton, Senior Adviser to the CEO
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1. Introduction

- 1.1 The seven months since the Board met in Kigali at the end of 2010 have been extremely busy and productive ones across the full range of priorities for the GAVI Alliance.
- 1.2 At that Board meeting, the UK Government offered to host our pledging conference, and with that political leadership, backed in particular by the Bill and Melinda Gates Foundation and the Government of Norway, and through a great collective effort in the best spirit of the Alliance, we were very successful on 13 June.
- 1.3 A few months after I joined GAVI as Deputy CEO, the Board took the painful but necessary decision to delay consideration of the 2009 applications for funding of new vaccines. By the time I took over as Interim CEO, we had made progress in setting out the case for the power and the value for money of immunisation and GAVI, and in generating momentum in support for GAVI's mission. We had ambitious goals to immunise 250 million children up to 2015 and prevent four million future deaths. However, GAVI's ability to pursue its mission was still significantly constrained by uncertainty about whether there would be sufficient and predictable financial resources in the years ahead.
- 1.4 The lead up to 13 June and our success on that day has renewed the Alliance and we now have the means to accelerate the introduction of new and underused vaccines so that they are available to the children who need them most. But beyond that it has raised awareness of the importance of immunisation and of the value of investing in health as a driver of development, a position passionately articulated in Prime Minister Cameron's opening address to the pledging conference.
- 1.5 Not surprisingly, because we exceeded our funding target, people have been asking what our additional priorities will be. My first response is that with 1.7 million children dying each year from vaccine preventable diseases, our work is far from complete. Our plans were ambitious but they need to be more so,

including ensuring that the most vulnerable, the hardest to reach – those in the most remote communities and in the largest slums – can all benefit from the extraordinary protection that vaccines can provide.

- 1.6 My second response is that we have an endorsed strategy for the years 2011-2015 with four clear goals to guide us. Consistent with that strategic framework we will remain focused on providing the most cost effective, quality vaccines and strengthening the systems needed to deliver those vaccines sustainably, and we will review whether we can now do more and faster. These are decisions for the Board, and at the upcoming meeting you will have the opportunity to begin to consider these questions.
- 1.7 The resources pledged to GAVI are first and foremost a wonderful outcome for children and their parents in the poorest countries in the world. It is a huge vote of confidence in our mission and in our capacity to deliver. One thing is clear: we now have an enormous responsibility to deliver, and to keep faith with our donors and many supporters that the money will be spent effectively and efficiently to deliver measurable results.
- 1.8 The report below updates the Board on our progress since Kigali and outlines the decisions and issues which will be put to the Board at its meeting in Geneva on 7-8 July.

2 Progress and updates

2.1 Vaccine introductions

- 2.1.1 As set out in the Accelerated Vaccine Introduction initiative Board paper, since Kigali the Executive Committee approved three accelerated applications for funding for the new Meningitis A (MenA) vaccine, from Cameroon, Chad and Nigeria. They were accelerated because this year's main application round came too late to allow the introduction of the vaccine before the epidemic season. In addition, a WHO-led group recommended that rapid introductions in these countries – combined with the existing GAVI funded immunisation programmes in Burkina Faso, Mali and Niger – would help to create an immunised bloc, increasing the impact of herd immunity, across the centre of Africa's meningitis belt. A total of nineteen million people have now been immunised with MenA, and initial WHO data from the completed introductions indicates that the vaccine has been highly effective in reducing the number of cases. A further four countries have applied for support for MenA in the latest application round. It is much harder to measure morbidity than mortality, but it is clear that meningitis epidemics have a significant impact on health services, on communities, and in terms of permanent disabilities – we now have the means to stop these debilitating effects across the meningitis belt.
- 2.1.2 The roll out of pneumococcal vaccine is also proceeding apace. Since December 2010, Cameroon, the Central African Republic, Democratic Republic of Congo, Guyana, Honduras, Nicaragua, Sierra Leone, Kenya, Mali and Yemen have introduced the vaccine. Benin, Burundi, Ethiopia and Malawi

will introduce before the end of the year, by which time seventeen countries will have introduced, with millions of children immunised. The Republic of Congo and Pakistan are expected to introduce early in 2012, and 29 countries have applied for support in the current round. We hope that countries will hold ceremonies to mark the launches, and, where countries decide to invite international guests, we will be happy to facilitate participation in these launches by Board members.

- 2.1.3 In September, Sudan will introduce rotavirus vaccine, the first GAVI-eligible country in Africa to do so, and 25 rotavirus applications are currently being considered by the IRC. The IRC is also considering nine applications for measles second dose funding, which represents a significant increase in demand for support for this vaccine. Subject to input by the Programme & Policy Committee (PPC), the Secretariat take to the November Board meeting implementation strategies for HPV, Japanese encephalitis, rubella and typhoid vaccines.

2.2 GAVI's first voluntary replenishment

- 2.2.1 The success of 13 June was many months in the making. Our Partners' Forum in Hanoi at the end of 2009, our meeting in The Hague in March 2010 and the formal launch of GAVI's first voluntary replenishment in October 2010 in New York served to rally GAVI's supporters around the strong case that immunisation and GAVI represented. At the Kigali Board meeting at the end of 2010, the UK's offer to host the pledging conference began a steady escalation of the UK's engagement. The UK's Multilateral Aid Review provided evidence of GAVI's effectiveness. Department for International Development staff worked in close partnership with the Secretariat. We benefited from the leadership of Andrew Mitchell, the Secretary of State for International Development, and ultimately of the Prime Minister, David Cameron, whose advocacy for international development and GAVI, and pledge on 13 June provided a powerful example. We were similarly supported by the Gates Foundation, and Bill and Melinda Gates themselves, whose tireless advocacy for GAVI in the media and with other leaders contributed significantly to our success. Norway also provided key support, under the leadership of Prime Minister Jens Stoltenberg. Richard Manning and Bob McMullan gave their expertise and time to facilitate the process and we are grateful to them.
- 2.2.2 We were superbly supported by a coordinated global advocacy campaign, underpinned by civil society organisations and networks. Hundreds of thousands of people were engaged: signing petitions, writing letters, advocating directly with decision-makers. For several days, we were the number one subject of calls to the White House, and I am reliably informed that GAVI "trended" on Twitter. ONE.org, Save the Children, and RESULTS deserve our particular thanks.
- 2.2.3 Board members and multilateral partners made the case actively in key forums, and countries' voices – advocating for increased investment in

immunisation, re-stating their commitments to co-finance vaccines – were heard throughout, for example at the World Health Assembly, and culminating in the inspiring presence and words of President Johnson Sirleaf of Liberia at the pledging conference.

- 2.2.4 Vaccine manufacturers from industrialised and developing countries played an important role in the success of the pledging conference. Seven manufacturers made new price offers (which remain subject to UNICEF's procurement process) for pentavalent, rotavirus and HPV vaccines, and important commitments to extend GAVI prices to graduated countries. The announcements followed detailed discussion with manufacturers by several members of the Alliance, notably the Gates Foundation, the Secretariat, and UNICEF. In the medium term, we have signalled that we are gaining critical mass on some of our key vaccines with new entrants from emerging market suppliers, including support with push-funding provided by the Gates Foundation, the US National Institutes for Health, and others. These accomplishments tie into the wider supply and procurement strategy (see below).
- 2.2.5 New and existing private sector donors increased their contributions, following engagement by the UK supported by Alan Gillespie, the Secretariat, and the Gates Foundation. The contribution by the UK and the Gates Foundation of a combined US\$ 130 million (UK£ 50 million and US\$ 50 million respectively) to the GAVI Matching Fund for Immunisation represents a major opportunity to expand private sector funding and also, importantly, to raise awareness of immunisation and GAVI.
- 2.2.6 The Gates Foundation has also allocated US\$ 200 million to match additional funds raised in the future. Using the matching funds to help expand GAVI's donor base is a high priority. As the balance of the world's economy shifts, new donors – particularly from the G20 – will be vital in securing the long term future of our mission. We were very pleased to see new contributions from Japan, Korea and Brazil, as well as participation in the pledging conference by Argentina, Chile, the Czech Republic, Mexico, Poland, Slovenia and Turkey, and we have had useful initial discussions with China. We now need to build upon these foundations.
- 2.2.7 As well as playing a leading role in advocating for immunisation and GAVI in the approach to the pledging conference and in securing a significant three year pledge from the US, USAID administrator Raj Shah made an offer that the US Government would host an immunisation summit in 2012, which will help to sustain the high level of engagement by world leaders. We are currently in discussions about how the timetable – including Decade of Vaccines events, the next GAVI Partners' Forum, and other high level events – for next year fits together to maintain the momentum and so that we can retain a strategic approach to advocacy. Donors also agreed to the Secretariat's suggestion to hold a mid-term accountability meeting in 2013, to review pledges made, extend them where appropriate to 2015, and, importantly, to look to funding beyond 2015.

2.3 Innovative finance

- 2.3.1 One of the ways we will secure and diversify GAVI's long term funding is through continuing to build upon GAVI's record on innovative finance. The independent evaluation of IFFIm, which has just been circulated to the Board, was extremely positive and it is hoped that IFFIm will become a permanent part of GAVI's funding portfolio. We are making progress in attracting new donor pledges to IFFIm, with new pledges committed by Brazil (as the 10th donor country to IFFIm) and by Italy. The UK, a longstanding supporter of IFFIm, confirmed that they will match the present value of Brazil's and Italy's pledges, and Norway has indicated that it is considering additional pledges to IFFIm.
- 2.3.2 In the preceding six months, we developed a Backstop Facility in partnership with the Gates Foundation and a commercial bank that would have enabled us to release US\$ 300 million of our cash reserves for programmatic use; this product was endorsed by the Audit and Finance Committee, but we and the Gates Foundation jointly decided to keep it on the shelf for now, since our liquidity requirements do not make implementing the product a high priority at this stage.
- 2.3.3 We are at the very early stages of investigating the possible creation of an investment vehicle that would provide an outlet for the socially responsible investor market and would generate endowment-type income for GAVI, and we continue to engage with partners and forums that advance sovereign initiatives on innovative finance, including by being a founder member of the Leading Group's Task Force on Innovative Financing for Health.
- 2.3.4 Following the resignation of Dirk Sellers, the Executive Director of the GAVI Campaign, on 1 July, the Managing Director for Innovative Finance, David Ferreira, will take on the role of interim Executive Director. This has been with my agreement and that of the GAVI Campaign Board, which remains responsible for key Campaign decisions. The Campaign and the Secretariat now have the opportunity to realise greater synergies in our private sector work, including in relation to the matching funds referred to above. As envisaged in the Cooperation Agreement which established the GAVI Campaign, a short review of the Campaign will soon be conducted, and we will have the opportunity to discuss the future direction of our private sector outreach, including the role of the Campaign, at the November Board meeting.

2.4 New demand forecast and financial position

- 2.4.1 As a result of the additional \$4.3bn pledged on 13 June and resources already committed, GAVI has assured resources for 2011-2015 of US\$ 7.6 billion. We are therefore well placed to meet the current expenditure forecast of US\$ 6.8 billion for those years. Further contributions are expected by new and existing donors that have not yet pledged for all of the years up to 2015. However, it is possible that expenditure could now exceed the current estimate, enabling

GAVI to reach more children faster than planned and to accelerate the introduction of new vaccines. This is in part because now that countries have confidence in GAVI's resources, demand is likely to grow.

- 2.4.2 A record 50 countries submitted 74 applications for vaccine funding during the latest application round, nearly double the previous record in 2007 when 27 countries applied. The IRC is currently meeting to assess these applications, and I will provide an update at the Board meeting. Because time is required to refine our estimates of the financial implications, including review by the Audit and Finance Committee, the Executive Committee meeting on 26 September will be invited to take decisions on funding the applications.
- 2.4.3 In April the Executive Committee asked the Secretariat to review how the application process can be sped up and made more efficient. This work has started, will build upon the 2010 review of the IRC, and will be coordinated with the launch of the next application round so that the findings can be implemented during the round. We will be announcing the timetable for the next application rounds soon: at this stage, our thinking is that there should be an early round – perhaps at the end of 2011 – to deal with conditional approvals and the need for the clarification of applications from this year's round, followed by one or perhaps more full rounds next year.

2.5 Vaccine supply and procurement strategy

- 2.5.1 In early 2010 the Secretariat proposed to the PPC that the supply and procurement strategy, approved by the Board in December 2005, should be revised, in line with the new market shaping goal of GAVI's 2011-2015 strategy. The PPC appointed a task team and based on its work, strongly endorsed a proactive market shaping approach with an expanded set of supply and procurement tools, examining the market vaccine by vaccine. In March 2011 the PPC asked for some further work on the task team report, and public consultation to ensure wide input from stakeholders as well as increased transparency. This consultation will be launched on 4 July, and we look forward to bringing back the strategy reflecting a wide base of feedback to the PPC in September, and making recommendations to the November Board meeting. However, as indicated above, we have not waited for the conclusion of this process to start playing a more active role in market shaping.
- 2.5.2 Working with its primary procurement partner UNICEF over the last nine months, GAVI has asked vaccine manufacturers to make their historical prices transparent. Since January 2011, historical prices have been made available on the UNICEF website, and price transparency clauses have been included in tenders, so that in future awarded prices will also be published. This price transparency will help inform countries' decisions about vaccine introductions, including in relation to sustainability.
- 2.5.3 As vaccine production has high fixed costs with long lead times, market shaping needs a long term perspective. Manufacturers need confidence to invest, and understanding GAVI's decisions and policies helps to provide this.

The Board's retreat in Oslo considered the issue of manufacturers' membership of the Board, in the context of the added value of a public private partnership, and supported continued membership, while being clear about the importance of managing conflicts of interest robustly, as it relates to all members of the Alliance.

2.6 Oversight of cash grants and transparency

- 2.6.1 Since January, when public allegations were made about misuse of funds in relation to the Global Fund to Fight AIDS, Tuberculosis and Malaria, there has been heightened media and donor interest in the risk of misuse, and in best practice to mitigate these risks. Around 85% of GAVI's programme funding is for the purchase of vaccines and related supplies, which are procured primarily through UNICEF, and which represent a low risk of theft. The remaining programme funding is provided in cash grants to support health systems, including to CSOs, to facilitate the introduction of vaccines. Before a grant is provided, the Secretariat assesses the programme's proposed financial management controls and ensures that weaknesses are addressed. Programmes are also annually audited. If inconsistencies are identified and result in a credible concern about misuse of funds, the Secretariat suspends disbursements and freezes the funds, and works with the government to investigate any funds which might have been misused.
- 2.6.2 As part of our commitment to transparency, I informed the Board and issued a statement in March that inconsistencies had been identified in cash-based programmes in Mali, Côte d'Ivoire, Niger and Cameroon. Investigations have concluded in Mali, and the government has committed to repay the misused funds (a total of \$0.56m, of which \$0.33m was ineligible spending, and \$0.23m was used fraudulently), and pursued criminal action against the individuals concerned. Investigations are underway in Niger and Cameroon, and will be launched in Côte d'Ivoire once conditions allow. Because of the low risk of misuse, vaccines have continued to be provided.
- 2.6.3 I believe we should be as transparent as possible where there is a credible suspicion of misuse, and I will continue to update the Board on the cases which have not yet been resolved as well as on any new cases which may arise. Partly as a result of the experience of advising on these cases and through reviewing the controls that GAVI currently has in place, Cees Klumper, Director of Internal Audit, has made some recommendations on Cash Programme Risk Management to the Board (see under Key Decisions).
- 2.6.4 We will continue to have zero tolerance for misuse of GAVI funds. At the same time, we need to recognise that cash-based support provides countries with the resources to tackle bottlenecks in service delivery that they themselves identify. Innovation can involve risk in the short term, but GAVI needs to continue to innovate to achieve its mission. So it is important that vigilance on misuse does not lead to excessive risk aversion.

2.7 Monitoring and evaluation update

- 2.7.1 A clear message from 13 June is that producing measurable results is one of GAVI's key strengths. Maintaining and improving our high standards on evaluation, measurement, and data quality is therefore a priority. In response to the recommendations of GAVI's Second Evaluation, the Secretariat is in the process of implementing our evaluation strategy, working closely with the Board Evaluation Advisory Committee and Alliance members. The strategy involves making our evaluation approach prospective rather than retrospective. It includes strengthening routine monitoring, using targeted studies, such as the IFFIm evaluation referred to above, and deepening our understanding of GAVI's support to countries through Full Country Evaluations, which will measure the complete results chain, including impact in selected countries over the next five years.

2.8 Performance and risk management

- 2.8.1 Under new arrangements to performance manage progress under the Strategy and Business Plan, the Secretariat, WHO, and UNICEF report quarterly on each of the 26 programme objectives; and progress is reviewed at technical and senior meetings of the three organisations, with progress reports posted on MyGAVI. A beta version of a dashboard has been created which measures performance under the Strategy's high level objectives, and will be extended to cover the programme objectives. In the coming months we will seek feedback on the beta version, including from Board members on request.
- 2.8.2 WHO, UNICEF, and the Secretariat met most of their Business Plan deliverables in the first quarter of the year. In line with the new practice of funding in part on the basis of reporting on deliverables, funding for WHO and UNICEF was released in full at the end of Q1, and we are now assessing progress in the second quarter.
- 2.8.3 The Board reviewed the Secretariat's risk register at its last meeting, and a risk report for the first quarter of 2011 is available on the MyGAVI site. Clearly GAVI's funding risk up to 2015 is lower than it used to be, although pledges represent political rather than legal commitments, and GAVI needs to remain focused on its long term funding challenge. The risks of Secretariat overstretch and in relation to cash-based programmes are referred to elsewhere in this report.
- 2.8.4 Countries' capacity to sustain GAVI funded vaccine programmes remains a significant risk, although it has been mitigated to some extent by the new co-financing approach and our invigorated efforts on market shaping to bring down prices.
- 2.8.5 With GAVI's heightened public profile comes heightened scrutiny. As never before, GAVI's policies and approaches have been debated and challenged among think tanks, CSOs, academics, and journalists. We welcome this positive challenge as debate inspires innovation. But with it come risks that we

need to manage by continuing to deliver on our commitments, being robust and proactive in our communications, and as transparent as possible.

3 Key decisions for the Board meeting

3.1 Review of cash based programmes

3.1.1 At its meeting in November 2010, the GAVI Alliance Board asked the PPC to provide it with “a comprehensive approach on cash-based support to countries including a strategy for countries that are below 70% DTP3 coverage or have stagnating or declining coverage.” Based on the work of a task team, the PPC recommends maintaining the current direction on cash-based programmes, bringing the three existing programmes together under the Health Systems Funding Platform. It is estimated that it will be possible to introduce the Platform in all GAVI-eligible countries by 2015; in the interim, transitional arrangements are proposed to ensure that we are supporting country systems to deliver expanded immunisation programmes.

3.1.2 As noted above, now that GAVI is well funded, country readiness and capacity is a constraint to accelerating progress towards achieving GAVI’s goals. It is entirely appropriate, as the PPC recommends, that countries and their partners analyse the main reasons countries have DTP3 coverage rates below 70%; why coverage is stagnating at a low level in some countries; why it has significantly declined in others; and gender related barriers to increased coverage. This will inform the design of targeted and enhanced support to improve coverage, and needs to be part of our collective mission – our aim must be to see significant increases in DTP3 coverage, and with it, capacity to take on newer vaccines.

3.1.3 Overall the PPC’s recommendations represent a good balance between on the one hand streamlining GAVI’s cash-based support and reducing transaction costs for countries in line with the Paris Principles on aid effectiveness, and on the other hand, avoiding disruption of existing programmes which are supporting countries’ immunisation efforts.

3.2 Cash programme risk management

3.2.1 As noted above, vaccine support has a low risk of misuse, while by its nature cash based support has a higher risk. As the absolute – but not relative – value of cash based support grows with the overall growth in GAVI’s programme spending, we need to take further steps to strengthen the management of this risk. GAVI’s Director of Internal Audit, Cees Klumper, has made recommendations based upon an in-depth review of the Secretariat’s current procedures. I commend the thoroughness and quality of the review to the Board.

3.2.2 Most of the recommendations are internal matters for the Secretariat. The first key proposed decision is that the Secretariat, primarily through its Country Responsible Officers (CROs), should become more actively engaged with

monitoring programmes at the country level (which will necessitate employing more CROs – I refer to this in the Management Update below). The second key decision is that the terms of reference for the Director of Internal Audit should be amended so that the Director has responsibility for the Transparency and Accountability Policy (TAP) team. As set out in the Board paper, there are advantages and disadvantages to this recommendation. On balance, my view is that it is right that the Internal Auditor should take permanent responsibility for the TAP team, as this arrangement is common to analogous organisations, appropriate given the size of the Secretariat, and will ensure that we improve our management of a key area of risk.

3.3 India pentavalent introduction

3.3.1 The Board will recall long running discussions with India about the introduction of pentavalent vaccine. In 2009, the Executive Committee approved \$165m to fund the introduction of pentavalent vaccine in ten states in India. Introduction was delayed; at the end of 2010, India asked GAVI to fund introduction in only two states. The Executive Committee approved this, but set a deadline of 30 June 2011 for India to produce a satisfactory plan for scaling up, failing which the remaining balance of the \$165m (that is, around \$120m) would be released to fund other countries' applications.

3.3.2 On 13 June – an auspicious date – we received a letter from the Government of India asking for a six-month extension to the deadline for submitting plans. Given that India has not met the deadline, there is a case for letting India reapply, rather than holding money which could fund other applications. The counter arguments include the scale of India's disease burden and child mortality in relation to vaccine preventable diseases, with 45% of the world's unimmunised children, and the fact that we have seen a change for the better in the nature of our discussions through the Task Team on Large Countries. Two states are expected to introduce the vaccine by September, and additional states have expressed an interest in introducing, encouraged by positive signals at the federal level. On balance, I believe that we should accept India's request for an extension, and ask the Task Team to set a date prior to the November Board meeting for the submission of a plan for scaling up introduction. If India does not meet this deadline, in November the Board should reallocate the remaining balance of around \$120m and invite India to resubmit its application when it is ready. The November meeting will also have the opportunity to consider the report of the Task Team; we need to continue to attach a high priority to making progress in India.

4 Management update

4.1 In line with the Executive Committee's decision to that effect, we did not permanently fill any of the twenty three new positions assessed as needed to meet our commitments under the Business Plan, and requested in the 2011 budget, pending the arrival of the new CEO. We have, however, recruited to key vacancies created by staff movements: Aurélia Nguyen as Director of Policy; Marie-Ange Saraka-Yao as Director of Programme Funding; and we will

shortly be finalising the appointment of a new Director for Human Resources following Peter McDonald's resignation to take up a new appointment in the UK.

- 4.2 As is evident from this report the last seven months have been particularly busy for the Secretariat. Resource mobilisation has obviously had very high priority and has involved all areas of the Secretariat, overseen by External Relations led by Joelle Tanguy. However work on other strategic priorities and issues identified in the Business Plan has also proceeded, including vaccine launches in countries, preparation for IRC reviews, health systems funding platform development and piloting, implementation of the new performance management system, financial management assessments (FMAs) and follow up in countries, support for 26 Board and committee meetings, preparation of a number of key task team reports (including supporting 30 task team visits, meetings and calls), reviews of internal policies and procedures, updating the financial forecast, and managing all the routine but essential financial and corporate management issues. We have made use of temporary staff as a stop gap measure to enable us to deliver in critical areas. Although extremely challenging, this work has been carried out in a strong spirit of collaboration across the Secretariat and I would like to record my sincere thanks and appreciation to all staff for their hard work and support.
- 4.3 It has been a priority for me to continue improving the management of the Secretariat. We have held the second staff engagement survey, the results of which will be available soon. Flowing from the first staff survey, we have adopted a set of Secretariat values to guide the way we work together, and will introduce a new internal communications strategy. I have instituted a 360 degree feedback process, starting with the senior leadership team. We have also been implementing the gender policy, for example by providing training and support for the Secretariat and the IRC.
- 4.4 I very much appreciated the open and constructive discussion at the Board retreat in Oslo in April on accountability as this relates to the roles, responsibilities and expectations of the Board, committees and particularly the Secretariat as we move into what has been described as phase three of the GAVI Alliance. I would like to record here some of my reflections on the discussion. As noted in the Second GAVI Evaluation "uncertainty about roles and responsibilities and accountabilities and the nature of the Secretariat and partners remains an issue." A number of Board members spoke of the almost unmanageable Board and committee workload for them on top of full time jobs. There was a feeling that some of this stems from a tendency to want all issues to be managed by committee task teams rather than delegating to the Secretariat as "the backbone of the operation", which is then responsible to report up through committees and to the Board. There was general agreement that the role of the Board should be to focus and make decisions on strategic issues and policies, not detailed technical and implementation issues.
- 4.5 While there was not a total consensus, a significant majority of Board members expressed the view that they saw the Secretariat as accountable for executing these decisions and facilitating and co-ordinating the business of the Alliance,

drawing on the considerable expertise of the members of the Alliance. This is consistent with the role outlined in 7.1 of the GAVI Alliance by-laws. The point was made that the Secretariat cannot and should not be expected to have all the rich expertise available through the Alliance, which is one of its great strengths, but it should have sufficient skills and expertise to know what is needed and how to make best use of member expertise.

- 4.6 With the arrival of Seth Berkley as GAVI's new CEO in early August, with clear strategic goals, and resources assured to 2015, it will be timely to take stock of the Secretariat's priority areas for delivery, the skills and resources available, and how they are currently organised in the Secretariat, and I look forward to working with Seth on this. Any aspect that requires Board approval or would benefit from Board comment would then be discussed with the Executive Committee or at the Board meeting in November and be captured, if necessary, in the Business Plan budget. Having said that I do want to draw to the Board's attention the recommendation by the Internal Auditor for a high degree of priority to be given to strengthening Country Responsible Officer capacity to enable stronger dialogue and more frequent visits to implementing countries to mitigate unnecessary risk in relation to cash based programmes.

5 Conclusion

- 5.1 At the end of the pledging conference I said that the resources pledged were a collective re-affirmation of the importance of the vision and the innovative thinking of the men and women who established this public private partnership a little more than ten years ago. The level and predictability of these resources will allow GAVI to move to a new level of operation.
- 5.2 However, this is just the beginning of the next phase in our mission albeit a very exciting and energising beginning. In the lead up to, and in shaping the agenda for, the pledging conference we stressed the importance of focusing on the three legged stool that will support us to deliver on our mission: resources; market shaping and vaccines prices; and country commitment and sustainability. These will continue to be central to our success and conversely if a leg breaks the stool will fall over. The resource leg is now stable for the next few years, but beyond that will be very dependent on the results we are able to deliver and demonstrate under the Strategy and Business Plan. Perhaps our biggest challenges now are to deliver on the early promise demonstrated in the industry package for sustainable prices, and ensuring as an Alliance, in the spirit of partnership not paternalism, that countries take responsibility for and have the implementation capacity to maintain and improve immunisation coverage and roll out new and underused vaccines.
- 5.3 We must deliver in the short and medium term but also continue to situate GAVI in the wider international development architecture and look to the years beyond 2015. We make a significant contribution to achieving the objectives of Every Woman, Every Child, and we look forward to the results of the Accountability Commission for Women's and Children's Health, as well as to the Fourth High Level Forum on Aid Effectiveness in Busan, Korea at the end of the year. The UN General Assembly has started to discuss the plans for the Millennium

Development Goals (MDGs) after 2015. These goals have helped catalyse attention and activity in relation to saving children's lives and improving people's health, and my view is that GAVI, along with other health agencies, should play a pro-active part in discussions about the future of the health MDGs.

- 5.4 When I took on the role of interim CEO in October last year GAVI faced some significant issues. There were major leadership changes about to happen and our financial resources were far from secure. I am delighted that, as I hand over leadership to Seth, each of these issues has now been settled positively, thanks to the contribution of and commitment of GAVI Alliance members and the hard work of Secretariat staff.
- 5.5 I would particularly like to thank Dagfinn Høybråten who has worked tirelessly and constructively since he took over as Chair of the Board in January and has been a very significant factor in getting us to where we are now. My thanks to Dagfinn are not just for his leadership of the Alliance but also for his totally reliable, positive support and advice to me in my role as Interim CEO.
- 5.6 I look forward very much to our discussions at the Board meeting and to Seth's arrival as CEO in early August. Seth and I have worked closely and constructively in this transition period. When I return to my role as Deputy CEO, I am looking forward to helping to realise the potential that our success in London has created.