



Report to the GAVI Alliance Board

7-8 July 2011

Subject:	Resource mobilisation update: report from the 2011 Pledging Conference
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Section A: Overview

1. Purpose of the report

- 1.1 This report to the GAVI Alliance Board is intended to: (i) review the progress of the 2011-2015 replenishment; (ii) present the outcomes of the Pledging Conference held in London on 13 June 2011; and (iii) clarify next steps. This report is for information only.

2. Executive summary

- 2.1 On 13 June 2011, major public and private donors achieved a milestone in global health by committing funding to immunise by 2015 more than 250 million of the world's poorest children against life-threatening diseases and prevent more than four million premature deaths. The "Saving Children's Lives" Pledging Conference was co-hosted by the governments of the United Kingdom (UK) and Liberia and the Bill & Melinda Gates Foundation, with strong support from the Norwegian government, and was attended by high level representatives from government and private donors, implementing countries, business and civil society.
- 2.2 The GAVI Alliance received a strong vote of confidence from the donor community as US\$ 4.3 billion were pledged, bringing to US\$ 7.6 billion the total resources available to GAVI for the period 2011 to 2015. The GAVI Alliance is now well positioned to achieve this milestone of a quarter of a billion children receiving new vaccines. GAVI is furthermore positioned to accelerate the roll out of existing and new vaccines, reach more children in developing countries faster than planned, and prepare and expand introduction of new vaccines.

- 2.3 The successful outcome of the process launched in New York in October 2010 and concluded in London in June, was brought about by a collaborative mobilisation effort by the GAVI Alliance partners, in the best spirit of the Alliance. Leading donors engaged in high-level peer to peer outreach to develop the political will to scale up investments. Donors' pledges were supported by a strong coordinated global advocacy effort where civil society networks of advocates played a critical role; board members and multilateral partners such as WHO and UNICEF greatly contributed to highlighting the impact of immunisation investments; GAVI-eligible countries re-committed to co-financing the cost of new vaccines, based on their national ability to pay; and vaccine industry announcements, which included new manufacturers entering the market and offers of major price reductions from developing country firms and multinational companies, signalled strong prospects for more sustainable low prices and supply security for life-saving vaccines in developing countries. These parallel activities were closely coordinated with and by the Secretariat who, in addition to direct outreach and donor consultations supported by high-level facilitators, provided the roadmap, information systems and weekly guidance for GAVI's powerful and committed advocates in the donor and civil society communities.
- 2.4 The hosts and leading donors of the Pledging Conference spared no effort to advocate with peers and with the media. The personal leadership of the Rt. Hon. Andrew Mitchell, Secretary of State for International Development and of Bill Gates, co-chair of the Bill & Melinda Gates Foundation set the pledging process on the path to success, as did the active support of the Rt. Hon. David Cameron Prime Minister of the UK and the Rt. Hon. Jens Stoltenberg, Prime Minister of Norway. The partnership established between their respective organisations and the GAVI Secretariat helped deliver an effective advocacy dynamic and a highly successful event.
- 2.5 Just prior to the Pledging Conference, UK Prime Minister Cameron and US President Obama provided further impetus by specifically referencing the GAVI replenishment challenge in their joint communiqué. Also of importance was the presence and active engagement of President Johnson Sirleaf of Liberia, USAID Administrator Raj Shah, Minister Kevin Rudd of Australia (at the launching reception), Minister Gunilla Carlsson of Sweden, EU Commissioner Andris Piebalgs, Minister de Raincourt of France, Minister Beverly Oda of Canada.
- 2.6 Finally the consensus of support to GAVI secured at the G8 hosted by France and the active engagement of new donors such as Japan, Brazil, and Korea, as well as the participation of potential new partners such as Argentina, Chile, the Czech Republic, Mexico, Poland and Slovenia, augured well for a broad mobilisation in support of immunisation.
- 2.7 The conference concluded with an offer by the US Government to host a health summit in 2012, and agreement that GAVI should hold a mid-term accountability review in 2013.

3. Conclusions

- 3.1 With US\$ 7.6 billion assured as predictable multi-year funding to GAVI, the Alliance is well positioned to scale up its programmes, starting with funding the proposals that will be approved by the 2011 IRC review currently under way. The increased support is timely as this IRC round saw a record 50 countries applying for vaccine funding – nearly double the previous record in 2007.
- 3.2 The continued and sustained broad and collective commitment of the Alliance will be critical in keeping the momentum. In particular, the Alliance partners' concerted efforts will be critical in accelerating the pace of delivery of countries' programmes with the support of UNICEF, WHO and the World Bank; in ensuring timely receipt of funds against annual donor pledges and the engagement of new donors to realise the "challenge pledge"; and in enhancing the sustainability of immunisation programmes through country co-financing and lower vaccine prices.

Section B: Implications

4. Impact on countries

- 4.1 With the funding raised and the predictability associated with multi-year pledges, GAVI-eligible countries have received a strong signal of support from the donor community to (i) accelerate the roll out of current vaccines, (ii) reach more children in developing countries faster than planned, (iii) prepare and expand introduction of new vaccines.

5. Impact on the Business Plan / Budget / Programme Financing

- 5.1 In light of the Pledging Conference outcomes, the GAVI Alliance Board can be confident in its ability to meet the financing requirements of programmes that will be recommended for funding by the summer 2011 IRC review currently under way. The pledging process was launched around a US\$ 6.8 billion demand estimate for 2011-2015, established in 2010. As the strategic demand forecast is regularly updated, variations are expected, reflecting the pace of demand for new vaccines, prices, supply constraints and other factors. The updated expenditure estimate based on the most recent strategic demand forecast (of February 2011) remains at US\$ 6.8 billion. The record number of new proposals submitted in June 2011 would suggest that demand might exceed that estimate, while remaining well within the resource envelope of US\$ 7.6 billion for 2011-2015 provided by this first replenishment process.

6. Risk implications and mitigations

- 6.1 Pledges received are solid political commitments but are not legally binding. Political and parliamentary support needs to be sustained and the GAVI Alliance is therefore drawing plans for ongoing advocacy, communication and resource mobilisation efforts throughout the period to ensure timely delivery of the pledges. GAVI needs to deliver on the ambitious agenda which it was encouraged to adopt at the Pledging Conference: achieving accelerated vaccine introductions with higher coverage will depend upon country readiness and the availability of vaccine supply.

7. Legal implications

- 7.1 Not applicable.

8. Consultation

- 8.1 Not applicable.

9. Gender equality implications

- 9.1 Not applicable.

10. Implications for the Secretariat

- 10.1 With regards to advocacy, communication and resource mobilisation, the Secretariat is entering a new phase where the challenge will be to maintain and build upon the momentum, particularly including high level political engagement and broader public awareness of the value of immunisation; maintain sustained efforts from all parties to ensure timely annual delivery of the new pledges and to meet the “challenge pledge” by broadening the donor base, particularly of G20 countries, while scaling up private sector engagement.

Section C: Context**11. High level outcomes of the 2011 Pledging Conference**

- 11.1 GAVI's first voluntary replenishment process was formally launched in a meeting in October 2010 in New York – co-hosted by Norway and the United States (US) – and culminated with the first Pledging Conference in London on 13 June 2011. The “Saving Children's Lives” Pledging Conference was co-hosted by the UK government under the chairmanship of The Rt. Hon. Andrew

Mitchell, Secretary of State for International Development, together with the Republic of Liberia and the Bill & Melinda Gates Foundation, represented respectively by Ellen Johnson Sirleaf, President of Liberia, and Bill Gates, co-chair of the Bill & Melinda Gates Foundation. High level representatives from government and private donors, implementing countries, business and civil society attended the meeting as partners of GAVI to raise multi-year predictable funding to immunise by 2015 a quarter of a billion children in developing countries against some of the world's deadliest diseases, and save at least 4 million lives.

- 11.2 With US\$ 4.3 billion pledged by nineteen public and private sector donors, exceeding an initial target of US\$ 3.7 billion, the GAVI Alliance is now well positioned to achieve these programme milestones and is poised to further accelerate the roll out of pentavalent, pneumococcal, rotavirus, yellow fever and meningitis vaccines; reach more children in developing countries faster than planned; prepare the introduction of new vaccines (HPV, Japanese encephalitis, typhoid and rubella); and subject to Board approval, fund the introduction of these vaccines. The funding pledged brings to US\$ 7.6 billion the resources available to GAVI for the period 2011 to 2015.
- 11.3 A noteworthy development was also the broader engagement of G20 and other emerging economies, potential future GAVI partners. Several new G20 and other emerging economies – Argentina, Chile, the Czech Republic, Mexico, Poland, and Slovenia – joined the conference.
- 11.4 GAVI Alliance members, in a powerful mobilisation effort, helped build this solid financing platform. Nineteen donors, including four new ones, together delivered multi-year commitments amounting to US\$ 4.27 billion in direct contributions. Overall direct contributions were more than doubled compared to recent levels (2008-2010). Three donors pledged a total of US\$ 80 million as long-term commitments to IFFIm. These included Brazil, a new IFFIm donor and the tenth to join the IFFIm programme.
- 11.5 New private sector partners also joined the Alliance under GAVI's new private sector contribution matching scheme incentivising corporate engagement, launched on 9 June and supported by the UK's Department for International Development and the Bill & Melinda Gates Foundation. Since its launch, three new private sector donors – Anglo American, ARK Foundation and JP Morgan – have already pledged a total of US\$ 8.4 million, which together with "la Caixa" Foundation's pledge of US\$ 6 million will be matched by either DFID or the Gates Foundation.
- 11.6 Vaccine industry announcements, which included new manufacturers entering the market and major price reductions from developing country firms and multinational companies, as well as commitments to provide prices currently only available to GAVI eligible countries to countries which graduate from GAVI funding, supported the efforts of GAVI to secure sustainable low prices and supply security for life-saving vaccines in developing countries.

- 11.7 GAVI-eligible countries re-committed to co-financing the cost of new vaccines, based on their national ability to pay which GAVI estimates, which will result in a three-fold increase amounting to US\$ 100 million in developing countries' contributions to GAVI-supported vaccines by 2015. Investments in health and immunisation systems were also highlighted as essential to reaching the goals. The important role of CSOs in delivering immunisation services, particularly in fragile and post-conflict states, was recognised and their very strong global advocacy including through a range of social media, also helped to support the political will to make immunisation and health a priority despite tight fiscal constraints.
- 11.8 Participants acknowledged that much remains to be done: one child dies from a vaccine preventable disease every twenty seconds, illustrating the inadequate progress towards the Millennium Development Goals (MDGs), particularly MDG4 to reduce child mortality. There continues to be substantial unmet demand for vaccines and GAVI was encouraged to adopt even more ambitious plans.
- 11.9 To maintain the momentum achieved over the last year participants agreed to reconvene at an health summit hosted by the US in 2012 and to hold a mid-term accountability review meeting in 2013 as part of the replenishment process to review the performance of the GAVI Alliance in immunisation and resource mobilisation to extend pledges through 2015 and consider the latest demand forecast and scope for further accelerating vaccine introduction. At this meeting, donors will also plan for the second replenishment for 2015 and beyond.

12. Success factors in the pledging process

12.1 Value proposition and policy framework

- (a) In March 2010, at the first meeting of GAVI donors hosted by the Netherlands in The Hague, a broad consensus emerged on the cost effectiveness of new vaccines and their potential to achieve a new, measurable breakthrough in global health and development.
- (b) In that same year, the GAVI Alliance clarified important policies including eligibility, prioritisation and co-financing, and adopted a 2011-2015 strategy featuring four strategic goals. In November 2010, the GAVI Board approved a business plan designed to implement the strategy and ensure that GAVI's day-to-day activities deliver on its overall mission. This collective effort to clearly chart the course for the next five years with GAVI Alliance partners was recognised as a key asset.
- (c) The broad recognition of both GAVI's organisational strength and its health and development impact was mirrored and well documented in the Multilateral Aid Review led by the UK Department of International Development. Other donor reviews arrived at similar conclusions. The

significant coverage of the UK's Multilateral Aid Review and its findings clearly enhanced the perception and understanding by the broad donor community of GAVI's key role and demonstrated impact.

12.2 Hosts and leadership

- (a) The hosts and leading donors of the Pledging Conference spared no effort to advocate with peers and with the media. The personal leadership of the Rt. Hon. Andrew Mitchell, Secretary of State for International Development and of Bill Gates, co-chair of the Bill & Melinda Gates Foundation set the pledging process on the path to success, as did the active support of the Rt. Hon. David Cameron Prime Minister of the United Kingdom and the Rt. Hon. Jens Stoltenberg, Prime Minister of Norway. The partnership established between their respective organisations and the GAVI Secretariat enabled an effective advocacy dynamic and a highly successful event. Also of importance was the presence and active engagement of President Johnson Sirleaf of Liberia, USAID Administrator Raj Shah, Minister Kevin Rudd of Australia (at the launching reception), Minister Gunilla Carlsson of Sweden, EU Commissioner Andris Piebalgs, Minister de Raincourt of France, Minister Beverly Oda of Canada.

12.3 Alliance-wide mobilisation

- (a) The successful outcome of the process launched in New York in October 2010 was brought about by a strong mobilisation effort by GAVI Alliance members, truly illustrative of the power of the wide Alliance.
- (b) Donors' pledges were supported by a new co-ordinated global advocacy effort where civil society networks of advocates played a clear leadership role. In donor countries and globally, the powerful voices of leading civil society networks and individual advocates were clearly heard and grounded in an effective mobilisation of their members around the immunisation agenda. Their mobilisation was essential to build and reward political will.
- (c) The G8 provided a major opportunity to highlight the importance of immunisation investments. The G8 host and G8 heads of state and government, all of whose countries are now members of the GAVI Alliance, affirmed their support to GAVI's agenda in the G8 conclusions. In addition, prior to the G8 Summit, the US and the UK provided a timely boost to the visibility of the replenishment by highlighting it in their joint communiqué.
- (d) Board members and multilateral partners such as WHO and UNICEF greatly contributed to highlight the impact of immunisation investments, in key public policy fora and in direct donor contacts. The strong mobilisation around the World Health Assembly was also instrumental to ensuring that the voice of developing countries was heard.

- (e) GAVI-eligible countries advocated for increased immunisation investments, and re-stated their own commitment to co-finance the cost of new vaccines, based on their national ability to pay. Several GAVI countries even financed beyond the required co-financing level.
- (f) Following engagement by the UK and Alan Gillespie, culminating in a meeting with the UK Chancellor of the Exchequer, the Rt. Hon. George Osborne, private sector partners scaled up investments in GAVI, effectively leveraging the Matching Funds offered by the host donors to accelerate private sector engagement.
- (g) Vaccine industry announcements, which included new manufacturers entering the market and offers of major price reductions from developing country firms and multinational companies, as well as extending prices available to GAVI eligible countries to countries which are graduating from GAVI support, signalled strong prospect for more sustainable low prices and supply security for life-saving vaccines in developing countries.

12.4. The role of the Secretariat

- (a) These parallel activities were closely coordinated with and by the Secretariat who, in addition to direct outreach and donor consultations facilitated by high-level facilitators, provided the roadmap, information systems and weekly alignment for GAVI's powerful and committed advocates in the donor and civil society communities.
- (b) The Secretariat mobilised its teams widely to ensure that all contribute to the success of the pledging process, but also to ensure that the high-level attention is leveraged to accelerate the Alliance strategic goals and activities (e.g. market shaping with vaccine industry announcements).
- (c) Given limited staff and budgets, advocacy and communication activities focused on key countries around detailed plans with partners and advocates, and successfully tapped new social media to catalyse a broad movement.

13. Next steps with GAVI's resource mobilisation agenda

13.1 Ongoing donor engagement and new donor outreach

- (a) Confirming and increasing the new public and private donor engagement will be required to broaden the donor base and to unlock the Matching Funds pledged that are conditional upon additional private sector funds being raised.
- (b) Furthermore, broad-based political and parliamentary support will be required to ensure all commitments are effectively delivered as pledged.

- (c) Finally, with nine donors out of nineteen pledging for the entire 2011-2015 period or beyond, sustained efforts will be needed from the Alliance to extend the pledges of the other ten donors who were not able to pledge for the entire period.
- (d) On the demand side, forecasts adjustments, in line with GAVI's practice of quarterly updates based on solid country surveys and data, may require reasonable adjustments of the required capacity for the period.
- (e) To ensure success, GAVI's advocacy and resource mobilisation efforts must be sustained and the Secretariat is planning to engage in close consultation with key advocates and partners in the implementation of the third strategic goal roadmap for 2011-2015, and to keep the Board informed and engaged throughout the cycle.
- (f) Donors are invited to augment their pledges whenever appropriate in consideration of their political and budgetary cycles, and a mid-process accountability review in 2013 will help focus broad attention to this matter.

13.2 Plans for 2012 event and 2013 mid-term accountability review meeting

- (a) With one child dying from a vaccine preventable disease every twenty seconds, illustrating the inadequate progress towards the Millennium Development Goals (MDGs) and particularly MDG4 to reduce child mortality, participants agreed that momentum must be kept up. With this in mind, participants agreed to hold a series of meetings.
- (b) To continue the momentum developed around the pledging meeting, the US generously offered to hold a high level health summit in the US in 2012 which could align or converge with plans for the 2012 GAVI Alliance Partners' Forum. The plans for the end of the preparation phase of the Decade of Vaccines could also be considered in this context. These could serve as a basis to discuss with the Alliance partners on a broad platform of engagement, to confirm some of the new public and private donor commitments and agree on a long-term strategic approach to resource mobilisation.
- (c) Donors also agreed to hold a mid-term accountability review meeting in 2013 as part of the replenishment process to review the performance of the GAVI Alliance in immunisation and resource mobilisation, to extend pledges through 2015 and to consider additional funding dependent on an updated demand estimate. At this meeting, donors will also lay out a plan for the second replenishment of GAVI for 2015 and beyond.

ANNEX 1. GAVI Alliance Pledging Conference – Key Outcomes

Resources Assured for 2011-2015

Proceeds to GAVI in US\$ millions	Pledged by Sep 2010	Pledged Oct-Dec 2010	New Pledges June 2011	Resources now Assured	Period for which Pledged ⁽³⁾
Australia	52	64	149	264	2011-13
Brazil			12	12	⁽³⁾
Canada	158	51	15	225	2011-15
Denmark	5	4	19	29	2011-15
European Commission	14	29	15	58	2011-12
France	366		146	511	2011-14
Germany			73	73	2011-12
Ireland		13		13	2011-14
Italy	481		25	506	⁽³⁾
Japan			9	9	2011
Luxembourg		6		6	2011-15
Netherlands	34		175	209	2011-15
Norway	136	6	677	819	2011-15
Republic of Korea	1			1	2011-12
Russia	41			41	⁽³⁾
South Africa	4			4	⁽³⁾
Spain	48	3		50	2011
Sweden	8		201	209	2011-15
United Kingdom	1,114		1,335	2,449	2011-15
United States			450	450	⁽¹⁾ 2012-14
Bill & Melinda Gates Foundation	341		1,000	1,341	⁽²⁾ 2011-15
HH Sheikh Mohammed bin Zayed			33	33	2011-13
"la Caixa" Foundation			6	6	2011-12
Anglo American plc			3	3	2012-14
Absolute Return for Kids (ARK)			3	3	2012-13
Total	2,802	176	4,345	7,324	
Investment Income	80			80	
Cash & Investment drawdown	195			195	
Assured Resources	3,077	176	4,345	7,599	
Prior to June 2011: \$3.3 bn			\$4.3 bn	\$7.6 bn	

(1) In addition, the United States is contributing US\$ 90m in 2011 subject to Congressional approval

(2) US\$ 250m of the US\$ 1,000m commitment will be reserved to match new commitments by other donors after 13 June 2011, and will be released as these commitments are made.

(3) The amounts in the foregoing table are the proceeds that GAVI expects to receive during the period 2011-2015 from pledges made to date. These proceeds include amounts to be received through the IFFIm and AMC mechanisms, as well as from direct contributions. Proceeds in 2011-2015 from the IFFIm and AMC mechanisms may be the result of pledges made for other years (which, in the case of IFFIm pledges, extend beyond 2015). The "period for which pledged" refers to the direct contributions component of the proceeds expected from each donor. For donors that have pledged exclusively through the IFFIm and/or AMC mechanisms, the relevant pledge periods are: Brazil, IFFIm 2011-2030; Italy, IFFIm 2006-2025 and AMC 2008-2019; Russia, AMC 2010-2019; South Africa, IFFIm 2007-2026.

(4) The Holy See will make a symbolic contribution of €5,000

Composition of Pledges for 2011-2015

Proceeds to GAVI in US\$ millions	Direct	IFFIm	AMC	Total
Australia	212	52		264
Brazil		12		12
Canada	66		158	225
Denmark	29			29
European Commission	58			58
France	146	366		511
Germany	73			73
Ireland	13			13
Italy		157	349	506
Japan	9			9
Luxembourg	6			6
Netherlands	175	34		209
Norway	684	92	43	819
Republic of Korea	1			1
Russia			41	41
South Africa		4		4
Spain	3	47		50
Sweden	201	8		209
United Kingdom	1,494	708	248	2,449
United States ⁽¹⁾	450			450
Bill & Melinda Gates Foundation ⁽²⁾	1,300		41	1,341
HH Sheikh Mohammed bin Zayed	33			33
"la Caixa" Foundation	6			6
Anglo American plc	3			3
Absolute Return for Kids (ARK)	3			3
Total	4,964	1,480	880	7,324
Investment Income				80
Cash & Investment drawdown				195
Assured Resources				7,599

(1) In addition, the United States is contributing US\$ 90m in 2011 subject to Congressional approval

(2) US\$ 250m of the US\$ 1,000m commitment will be reserved to match new commitments by other donors after 13 June 2011, and will be released as these commitments are made

(3) The Holy See will make a symbolic contribution of €5,000