

**SUBJECT: PRIVATE SECTOR ENGAGEMENT STRATEGY**

**Agenda item: 11**

**Category: For Decision**

## **Section A : Executive Summary**

### **Context**

**For the past two decades, Gavi has effectively leveraged its unique comparative advantage to rally the public and private sectors to achieve sustainable impact.** The Alliance's engagement with the private sector has helped secure financial resources, expertise, and innovative solutions to support implementing countries in accessing and delivering an increased number of lifesaving vaccines, with a coverage level that most other essential health interventions are yet to achieve.

**The 2016-2020 period saw a concerted effort to deepen Gavi's engagement with the private sector, allowing it to tap into underutilised assets, networks, and tools to support the mission.** In 2020, an independent evaluation concluded that the Secretariat's approach was largely successful, with key targets either being met or exceeded as shown in Figure 1. For an overview of the partnerships developed during the 4.0 period, refer to Annex A.

*Figure 1: Private Sector Engagement key targets and achievements identified by the independent Evaluation*



**However, both the independent evaluation and the Secretariat's own reflections from unsuccessful projects noted areas for improvement.** Specifically, that the Secretariat should: (i) intensify its focus on fundraising, (ii) ground non-financial partnerships firmly in country needs, and (iii) establish a robust and fit for purpose monitoring, evaluation, and learning system.

**In October 2021, the Programme and Policy Committee (PPC) recommended for Board approval the principles of Gavi's 5.0 private sector engagement (PSE) strategy, namely that it is country driven, aligned to Gavi's zero-dose agenda, vaccine delivery, and immunisation system strengthening.** In addition, the PPC also recommended the Secretariat further elaborate on the operationalisation in fragile and conflict contexts, and the alignment between Gavi's existing governance mechanisms and the proposed private sector structures, **while addressing the following questions:**

1. What will be the focus areas of the strategy in the 5.0 period?
2. What is the approach to implementing and measuring the various private sector engagement modalities?
3. How will the proposed governance and advisory mechanisms interface with Gavi's existing governance bodies?

## Conclusions

The Secretariat's 5.0 Private Sector Engagement (PSE) strategy provides a framework for achieving our ambitious goals by: **a) increasing the level of funding, b) directing private sector expertise towards specific immunisation challenges, and c) surfacing scalable and sustainable innovations, in alignment with the Innovation strategy which is currently under development.**

The PSE strategy was developed following consultation with internal and external stakeholders, including Alliance partners, sovereign donors, private sector investors. It incorporated the key lessons and recommendations from an independent evaluation, which was developed through extensive research, over 60 key informant interviews, in-depth analysis of key projects, and benchmarking with similar organisations. Furthermore, the Secretariat commissioned PwC to conduct a review of its PSE approach, focusing on capabilities, maturity, risks, and a comparative analysis of Gavi vis-a-vis other global health agencies.

The PPC highlighted the need for the PSE strategy to be aligned with Gavi's core areas of work including equity and the zero-dose agenda, while safeguarding the organisation's reputation. The majority of PPC members noted that a successful strategy going forward will comprise of fundraising, leveraging private sector expertise, and exploring private sector-led innovation.

An increasingly competitive donor landscape, ambitious zero-dose agenda, rapidly evolving COVAX goals, and the continued need for immunisation systems strengthening, will all require the Secretariat to fully harness the comparative advantage and assets of the private sector to accelerate impact.

## Section B: Facts and Data

### 1. Background

- 1.1 Private sector engagement (PSE) – defined as a structured and priority-based approach to mobilise financial and non-financial resources from non-sovereign donors - is a **core component and a key enabler of Gavi's long-term strategy**. Recognising that the private sector is a **heterogenous group**, this strategy provides a framework by which the Secretariat can engage with **corporations, philanthropies, foundations, and high net worth individuals**.
- 1.2 **To catalyse the Secretariat's engagement with the private sector, the Gavi Matching Fund was created in 2011.** With initial support from the Government of the United Kingdom and the Bill & Melinda Gates

Foundation (BMGF), and the subsequent participation of the Governments of the Netherlands, Japan, and Norway, this innovative financing mechanism attracts private sector donors by matching their investments 1:1, effectively doubling their impact.

- 1.3 **In 2016, the Secretariat launched an exploratory phase to more deeply engage the private sector.** This exploration was grounded in the necessity and opportunity for Gavi to diversify its resource and partner base for greater impact.
- 1.4 **During this phase, the value of private sector contribution was measured** against their ability to: (a) address the largest barriers to vaccine coverage; (b) reduce cost to Gavi and Gavi countries; and (c) improve sustainability of immunisation programmes, as **presented to the Board in 2016 through a technical briefing** and outlined in Figure 2 below.
- 1.5 **As part of the design, an independent evaluation was conducted to review results and impact (see Appendix 2).** The evaluation found that the **engagement approach was well designed and aligned to Gavi's 4.0** strategic goals and objectives, with its target met as noted in Figure 1 above. Additionally, the **Secretariat had done well in establishing the structures and procedures needed to manage partnerships** across different modalities.
- 1.6 **The independent evaluation (see Appendix 2) provided critical insights for the Secretariat.** Namely, that a limited internal capacity to clearly surface country needs impacted the design and appropriateness of partnerships; the lack of shared KPIs and blurred roles and responsibilities across teams created internal bureaucracy and inefficiency; and that a stronger focus on partnership assessment and brokering was needed to ensure an appropriate fit between the public and private sector objectives.

Figure 2: Gavi's 2016-2020 PSE Approach



- 1.7 **The key conclusions of this exploratory phase are the need for Gavi to intensify and expand fundraising efforts and ensure that non-financial resources and assets are mobilised in response to well-defined country needs.**
- 1.8 **There is now an opportunity for Gavi to capitalise on a shift in private sector support towards the Sustainable Development Goals.** Gavi's lean and agile structure, focus on measurable results, and sustainable business model, are attractive to the private sector. To capitalise on this

market shift and direct it towards supporting country needs, the Secretariat will require flexibility, risk tolerance, and vision.

## 2. Private Sector Engagement in 5.0

- 2.1 **A country-centric approach will be at the core of the new strategy.** This will allow private sector resources to support programmatic areas such as the zero-dose agenda, COVID-19 vaccine delivery, and routine immunisation systems strengthening. In turn, **these priorities will inform private sector engagement, specifically in raising funds, leveraging expertise, and exploring innovations**, as shown in Figure 3.

Figure 3 High-level Framework of the Private Sector Engagement Strategy



- 2.2 **The private sector strategy is also supported by a Theory of Change (ToC)** (see Annex C), designed to bolster Gavi's 5.0 goals and COVAX objectives, and guide the monitoring, evaluation, and learning approach. It is informed by independent evaluation and key learnings from unsuccessful partnerships.
- 2.3 **The ToC acknowledges the unique assets and comparative advantage that the private sector can bring.** It also recognises Gavi's model, connection with implementing countries, and capacity to engage the private sector as core to its value position. Combining these inputs allows the Secretariat to mobilise private sector financing, advocacy, expertise, and innovations and accelerate the rate at which they are accessible to countries.

## 3. Engagement Modalities

### Financing and Advocacy

- 3.1 **The Secretariat will aim to increase the level of financial resources and burden share from the private sector.** Over the 4.0 period, US\$ 397 million was mobilised for Gavi's core needs, by leveraging partner and advocacy networks, building Gavi's brand value, and using private sector financing to complement sovereign donor support. The Secretariat intends to build on this foundation for 5.0 objectives, including the momentum of the COVAX AMC, for which US\$ 234 million has been raised to date.

- 3.2 **The Matching Fund continues to demonstrate its strategic value in private sector fundraising.** The Secretariat has deployed the available matching resources selectively and strategically, often using creative approaches to maximise the financial return whilst utilising fewer resources.
- 3.3 **The Matching Fund capitalises on unique characteristics of private sector funding: the speed at which it can be mobilised, the level of risk that it can tolerate, and its fungibility.**
- 3.4 For example, **Gavi commenced a partnership with La Caixa Foundation in 2008, matched 1:1 by the Gavi Matching Fund.** The partnership has scaled to reach La Caixa's 26,000+ member employee group, as well as the bank's 400,000+ corporate depositors and more than 11 million individual account holders, building the company's reputation and increasing employee and customer engagement. La Caixa Foundation also created the Business Alliance for Child Vaccination, comprising more than 140 Spanish businesses, to raise funds for Gavi programmes. A total of US\$ 45 million has been raised through this partnership.
- 3.5 **The Secretariat re-structured a philanthropic contribution from an anonymous foundation as a 'challenge fund' to incentivise private sector support towards the COVAX AMC.** This provided greater flexibility to meet rapid fundraising timelines in collaboration with an advocacy campaign by Global Citizen. A third novel mechanism is the use of **existing employee matching campaigns resulting in a 1:3 leverage**, deployed in Gavi's partnership with Google.
- 3.6 **The Secretariat will explore the potential for further incentive mechanisms, such as cause-related marketing, leveraging digital platforms, and global advocacy moments.** This approach proved to be effective in reaching a larger consumer audience, as evidenced by the COVAX AMC, which saw several relevant public facing initiatives emerge such as the: Vaccine Forward Initiative, GoGiveOne campaign, VAX LIVE (organised by Global Citizen) and recently CODE(RED) in partnership with (RED) and The Global Fund.
- 3.7 **The Secretariat will also increase engagement with existing business associations and networks, to further attract both industry-wide and sector-specific contributions.** For example, the 'Pledge 1%' and the 'Aviation Coalition' catalysed a set of companies, enabling employers and employees to donate funds to the COVAX AMC providing momentum for others to 'crowd in'.
- 3.8 With this diversified approach and the right incentives in place, **the Secretariat believes in the potential to hit an ambitious milestone by 2025: mobilising at least US\$ 1 billion from the private sector** based on existing and projected contributions from PSE between 2016 and 2025.

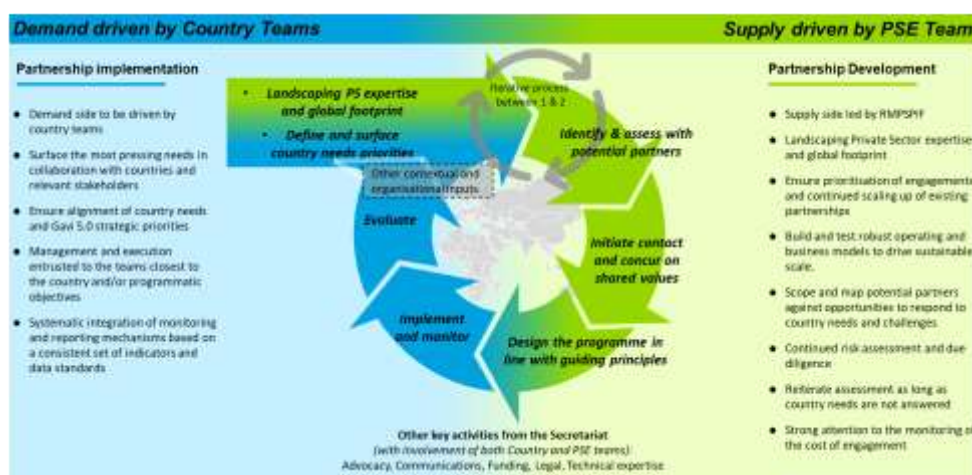


- 3.9 Since 2016, the Secretariat's private sector fundraising effort has mobilised US\$ 630 million<sup>1</sup> for core and AMC needs. It sees the potential to raise up to US\$ 390 million for the 2021-2025 period, with at least US\$ 240 million in contributions utilising the existing Matching Fund, and US\$ 150 million for the Gavi COVAX AMC. This ambition relies heavily on the critical role of the Matching Fund, employing creative new approaches as outlined above, and a targeted exploration of new sponsors.

### Expertise-based partnerships

- 3.10 This category of partnership aims to channel the existing assets, unique expertise, and know-how of private sector partners to specific projects. These partnerships should pose low risk for countries but aim to offer significant return on investment and impact.
- 3.11 Expertise-based partnerships will be framed against a supply and demand dynamic as detailed in Annex D and outlined in Figure 4. This approach provides an enhanced way of working in the Secretariat by creating joint ownership of private sector engagement; country facing teams surface needs and ensure the harmonisation of partnerships within the portfolio, partnership teams source appropriate organisations and align private sector resources to country needs.

Figure 4: Engagement framework for expertise-based partnerships



- 3.12 In the last period, the Secretariat created unique and successful partnerships with corporate partners, deploying their deep sector experience to immunisation bottlenecks. For reference, please see Annex B.
- 3.13 For instance, by leveraging Unilever's expertise in behaviour change, marketing capabilities, and financial support, the Secretariat worked with the Lifebuoy soap brand to create and deliver an integrated hand washing and immunisation campaign in India. The Secretariat is now working to scale this partnership to other High Impact countries. The Secretariat also partnered with UPS to support its supply chain

<sup>1</sup> Combined total funds raised from the 2016 2020 period and COVAX AMC funds raised to date

**strategy.** Since 2014, UPS has loaned executives to the Secretariat to develop STEP (a public private training programme for immunisation supply chain managers) and leveraged its network of local providers to deliver vaccines to health facilities.

- 3.14 **Importantly, unsuccessful partnerships and sub optimal partnerships provide valuable insight for the Secretariat.** Learnings show that it is vital to build a high-level understanding with private partners from the outset, with an **‘impact first’ mindset as the primary motivation.** Equally, having clearly defined outcomes with a **stronger tracking of investments** enables successful engagements to be accelerated, but crucially those not meeting objectives to course correct or be terminated. Finally, it is important to ensure that **partnerships not only meet country needs but are structured to enhance country capacity and can be sustained.**
- 3.15 **The Secretariat also recognises that there exists an information asymmetry between countries’ needs and private sector support.** The ongoing **COVID-19 pandemic has accentuated interest from the private sector** to share expertise and resources as countries prepare for an unprecedented vaccine rollout. **However, the lack of clarity between needs and support hinders an effective allocation of resources to where it is most needed.** Some of Gavi’s sovereign donors are seeking to address this asymmetry and accelerate private sector support to countries, for example, the recently announced **Global COVID Corps.** Gavi shall actively join these discussions and with additional donor support, can leverage its comparative advantage and experience in matching country needs with private sector expertise.

#### **Implementation: High Impact Countries and Fragile/Conflict contexts**

- 3.16 **As noted in the PPC meeting, this strategy will place particular focus on high impact and fragile and conflict countries<sup>2</sup>.** The majority of zero dose children and communities live in these country cohorts, which often have the fewest resources.
- 3.17 **Working in high impact countries pose additional challenges yet present opportunities.** These large and federated countries have extremely large birth cohorts, complex health systems, and are exposed to the compounding effects of migration, urbanisation, and socio-economic inequities. Conversely, **many of these countries have a vibrant local private sector** who have experience working with governments and international organisations, in public health and other verticals such **education, financial inclusion, nutrition, and agriculture.** These partners will be sought out, and the applicability of existing expertise and solutions to an immunisation context will be explored.
- 3.18 **The PPC requested further details on engaging the private sector in fragile and conflict settings.** This group of countries makes up a growing

<sup>2</sup> **High impact countries:** DRC, Ethiopia, Pakistan, Nigeria, and India. **Conflict/fragile countries:** Syria, Haiti, CAR, Chad, Mali, Niger, Somalia, South Sudan, Yemen, Afghanistan, Sudan, and Papua New Guinea.

share of Gavi's country cohort and implementation of partnerships will require a nuanced approach. Given the weak systems and structures in place, stronger and more sustained dialogue with local partners and agencies will be required. **Private sector engagement will complement existing projects**, with resources and expertise being deployed **increasingly at sub national levels, and often through in-country and international partners including humanitarian actors.**

- 3.19 **Working in fragile settings is often accompanied by higher risk.** Therefore, private sector **partner selection will be more rigorous**, with preference given to those with experience of operating in these settings and an established network of country level support. For instance, **private sector partners already operating in a humanitarian assistance context may be more readily available to support** immunisation objectives.
- 3.20 **The use of digital technologies and platforms can also mitigate against the operational risk.** For example, **Premise, an INFUSE (Innovation for Uptake, Scale and Equity in Immunisation) Pacesetter**, uses a network of country-based contributors to share data via its mobile application. The Secretariat has been **working with Premise and local partners in Mali to share photos on adherence to social distancing and mask wearing and collect survey responses on attitudes to vaccination in real time.** This helps the government, implementing agencies, and Alliance partners to plan and monitor COVID-19 vaccine roll out.

#### **Partnership Considerations: Regional Factors and Industry Mapping**

- 3.21 **The Secretariat will increasingly source partners from within implementing countries.** Since 2016, the number of private sector **partners drawn from implementing countries and emerging economies has grown.** This is a trend that the Secretariat is eager to expand on in the 5.0 period; partners drawn from within implementing countries may already have a high degree of operational context and maybe more vested to sustain operations. However, the **engagement must be tailored to each region**, considering the political and economic factors.
- 3.22 **Private sector partners will also be drawn from industries that map to country needs.** In conjunction with tailored engagements, ensuring that the Secretariat's and country limited resources are invested in long term, strategic partnerships will be key. Therefore, **industries that support social impact, growth, and sustainability will be explored further.** A preliminary analysis of regional partnership considerations and a mapping of relevant industries are outlined in Annex E.

#### **Innovation**

- 3.23 **Finally, the Secretariat will explore innovations from the private sector.** These will align with the principles and priorities as defined in the Secretariat's innovation strategy to be presented to the Board in June 2022.

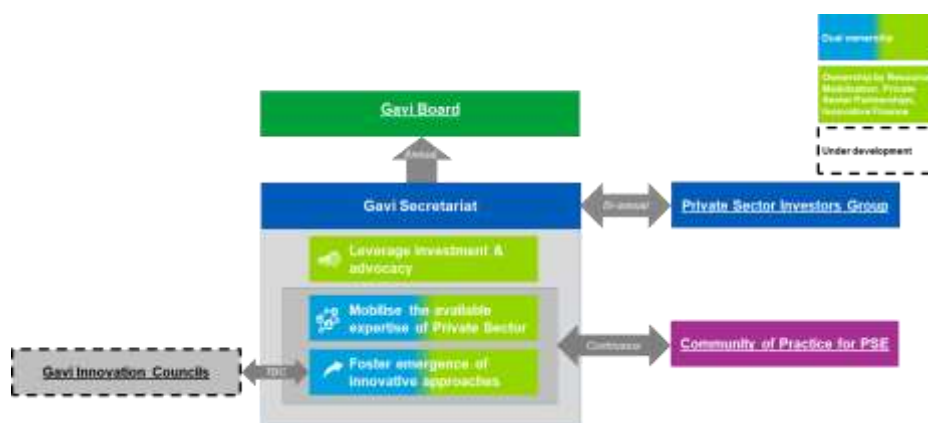


- 3.24 **The private sector engagement on innovation will be integrated into the Secretariat's broader innovation efforts** as the private sector is an important but not the only source of innovation. The contribution of private sector to spurring and scaling up innovations will be defined by country priorities and Gavi objectives.

#### 4. Due Diligence and Governance

- 4.1 **Safeguarding Gavi's reputation and minimising country exposure to risk is of a key priority to the Secretariat.** This strategy calls for robust due diligence governance mechanisms to be in place, to ground PSE in country needs, and remain agile in response to funding and advocacy opportunities. This process is further detailed in Annex F.
- 4.2 **The independent evaluation noted gaps in Gavi's existing governance structures,** namely: (a) coordination and collaboration within the Alliance, and (b) the provision of strategic guidance to the Secretariat. Figure 5 outlines the PSE governance & advisory mechanisms.

Figure 5: Overview of PSE governance architecture



- 4.3 **Firstly, to foster greater coordination and collaboration amongst the Alliance, the Secretariat will create an Alliance wide private sector Community of Practice (CoP).** This CoP would not serve as a governance mechanism per se but will be a working group to share lessons on PSE, provide technical guidance for implementation, and support the learning agenda. It will be composed of representatives from countries, partners, and implementing agencies with experience of PSE.
- 4.4 **Secondly, the Secretariat will establish a Private Sector Investors Group.** This advisory body will leverage its network, skills, and experience to support the Secretariat's PSE efforts by signposting potential opportunities and guiding on industry trends. This addresses a lack of formal private sector representation in Gavi's governance system and will be important given the increasing competition for private sector funding and resources.
- 4.5 **Finally, following PPC guidance, the Secretariat envisages the impact of expertise-based partnerships to be incorporated into regular**

**programme updates to the PPC.** This ensures that the achievements, challenges, and impacts of PSE on the programme it aims to support are captured and a holistic picture is provided.

- 4.6 **A robust due diligence, stronger Secretariat oversight and Alliance coordination, as well as appropriate strategic advice and guidance, can enhance the Secretariat's governance on PSE.** Moreover, the Secretariat aims to consult the Board on an annual basis sharing key lessons and progress achieved.

## 5. Resourcing

- 5.1 **In the implementation of this strategy, the Secretariat will aim to harmonise with existing efforts and initiatives, to minimise cost.** The Secretariat will balance this aim against the refined focus and ambition to drive PSE in service of Gavi's strategic objectives and country needs.
- 5.2 As has been the case in previous period, the Secretariat expects **the cost implementation of programmes and partnerships to be exclusively borne by the private sector** and via the Matching Fund, will **minimal recourse to core funding.**
- 5.3 **However, a refocusing of internal assets and resources will be required** to implement the country centric shift and drive partnerships towards scalable solutions and outcomes.

## Section C: Actions requested of the Board

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

- a) **Approve** the principles of Gavi's private sector engagement strategy, namely that it is country driven, aligned to Gavi's zero dose agenda, vaccine delivery, and immunisation system strengthening; and
- b) **Note** that the strategy will comprise fundraising, leveraging expertise, and exploring innovations from the private sector which will align with the innovation strategy.

## Annexes

**Annex A:** Private Sector Partnerships Highlights

**Annex B:** Implications and Anticipated Impact

**Annex C:** PSE Theory of Change

**Annex D:** Expertise Based Partnership Supply Demand Framework

**Annex E:** Implementation Landscaping: Regional and Industry Sector Considerations

## Annex F: Due Diligence and Governance Overview

### **Additional information available on BoardEffect**

#### **Appendix 1: Gavi 4.0 PSE Independent Evaluation**

### **Additional reference materials online:**

#### **Partnership spotlights:**

##### **Unilever:**

Gavi and Unilever's Lifebuoy join forces to tackle preventable diseases and save children's lives: <https://www.gavi.org/news/media-room/gavi-and-unilevers-lifebuoy-join-forces-tackle-preventable-diseases-and-save?platform=hootsuite>

Helping children thrive through soap and vaccines:

<https://www.gavi.org/vaccineswork/helping-children-thrive-through-soap-and-vaccines>

##### **UPS:**

STEP-ping up to share skills and save lives: <https://www.gavi.org/step-ping-up-to-share-skills-and-save-lives>

Mobile phones and digital technology to boost vaccine delivery in Uganda:

<https://www.gavi.org/news/media-room/mobile-phones-and-digital-technology-boost-vaccine-delivery-uganda>

COVAX vaccines take to the air by drone:

<https://www.gavi.org/vaccineswork/covax-vaccines-take-air-drone>