

The Programme and Policy Committee (PPC) of the GAVI Alliance Board has held one meeting since the June 2010 board meeting. This paper provides a brief summary of issues discussed.

The Board will be requested to approve the PPC's recommendations with regard to co-financing, performance based funding, and the health systems funding platform.

Report of the Programme and Policy Committee Chair

June – December 2010

Introduction

1. The Programme & Policy Committee (PPC) serves as the principal advisory body to the board on all GAVI programme areas and leads the development of new policies. It is staffed by high-level technical experts from partner organisations and constituencies, with knowledge in areas such as epidemiology, public health, research, health systems and financing.
2. The Committee is chaired by Gustavo Gonzalez-Canali, the Board member representing the France/EC/Luxembourg/Germany donor constituency. The Committee has held one face-to-face meeting since June 2010.
3. The policies recommended by the PPC for Board approval and key discussion elements are summarised below.¹

Issues discussed

Co-financing

4. In March 2010 the PPC appointed a time-limited task team to review GAVI's co-financing policy. The task team concluded that the current co-financing policy has been successful in several respects, with good compliance and positive reactions from countries, there are areas where it needs to be adapted to changed circumstances. As such, the PPC recommends that the Board approve the three country groups and associated co-financing levels (Low income group, intermediate group, Graduating group) to be implemented starting in 2012. In addition, the PPC noted the following action items:
 - 4.1 Ensure strong linkages between the supply strategy revision and the implementation of the co-financing policy and subsequent review in 2014.
 - 4.2 Ensure clear advocacy and communication efforts with a focus on graduating countries.

¹ Full minutes of the meeting have been distributed and are currently under review by the committee.

FOR INFORMATION

- 4.3 Work with GAVI's procurement agencies to explore price transparency and ensure effective communication to all countries
- 4.4 Undertake work to assess how GAVI can improve access to affordable prices post-GAVI support.

Performance-based funding/IRIS

5. The PPC endorsed a new performance based funding window – Incentives for Routine Immunisation Strengthening (IRIS). IRIS is designed to increase accountability for results and value for money, while minimising to the extent possible the reporting and management burden imposed on countries. The PPC recommends that the Board approve the IRIS programme, while taking the potential risks of the programme into account.
6. As part of its deliberation on IRIS, the PPC requested the Secretariat requested that the Secretariat remove the equity milestones and corresponding performance payments from the IRIS design. They supported WHO/UNICEF in their work to make estimates more sensitive to annual changes in immunisation coverage and noted this should be reflected in the business plan and associated budget. They also asked the PPC time limited task team reviewing the business plan section on strengthening health systems to review IRIS in the context of overall activities. Finally, they asked the Secretariat to explore qualifying conditions to the backsliding penalty, such that in certain exceptional circumstances (*force majeure*) countries that slide below milestones would not incur a backsliding penalty.

HSFP Update

7. At its meeting in June, the GAVI Board decided that common platform (the Health Systems Funding Platform (HSFP) should be the principal mechanism for GAVI HSS support. All new support is in 'platform' mode, and wherever possible, existing grants are being reconfigured to follow platform principles.
- 7.1 At that meeting, the Board asked that the PPC should make a recommendation on whether resources (i.e. the \$179 million notionally 'left' from the original HSS window) other than expanded IFFIm resources should be used for GAVI HSS support. The PPC recommendation is to return the notional \$179 million from the original HSS window to the balance of expected demand.
- 7.2 As part of the discussion, the PPC also asked the Secretariat to (a) Clarify the linkages between HSFP and IRIS, (b), Formulate a communication plan to explain the implications of this decision to countries, and (c) Conduct quarterly stakeholder updates and consultations on the HSFP (in collaboration with GFATM/ World Bank/ WHO).

GAVI Supply Strategy

FOR INFORMATION

8. At its meeting in February 2010, the PPC appointed a time limited task team to review GAVI's supply and procurement strategies. The Task Team presented objectives to foster well functioning markets for GAVI vaccines, as follows. These were endorsed by the PPC as was the acceptability of prioritising the objectives dependent on the vaccine markets (as opposed to employing a one size fits all approach across vaccines). The full recommendations on supply and procurement strategy will be presented by the PPC to the Board in June 2011.

Table 1: Objectives to balance for a well-functioning market

Relationship between SUPPLY AND DEMAND	COST OF THE VACCINE to GAVI and Countries	Appropriate and Innovative PRODUCTS
• Ensure sufficient supply of <i>quality product</i> is available to at least meet total GAVI demand • Provide <i>consistent, uninterrupted</i> supply to GAVI countries	• Minimise the '<i>fully loaded</i>' vaccine per course costs • Minimise the <i>cost implications of products to GAVI countries</i>	• Ensure procurement of <i>appropriate</i> products to meet GAVI country needs • Foster an environment for innovative products appropriate for GAVI countries
INFORMATION		
Provide <i>transparent and accurate information</i> in order to inform GAVI portfolio choices, country product choices and the choices manufacturers make in production planning and capacity investments.		

8.1 The PPC also requested that the task team revise the terminology on “fully loaded prices”, and provide a conceptual framework to articulate the proposed strategy in order to illustrate where GAVI can influence vaccines markets. Finally, they asked that the team consider the co-financing linkages to price and dosing schedule to inform the 2014 co-financing review.

Business Plan

9. The PPC discussed the GAVI Alliance 2011-2015 Business plan and supported the overall approach including objectives, deliverables and targets. They recognized that further work would be done to improve on programme objectives and deliverables in relation to health systems strengthening and created a time bound task team to review this area of the business plan. A task team will also be created to assess the level of investment in core partner activities and where appropriate, to develop a formal plan for transitioning these activities from GAVI back to their home agencies – with an understanding that there would need to be appropriate resourcing to undertake these activities. This process should be completed in time to inform the 2013 budget planning process.

Review of Financial Sustainability Indicators

FOR INFORMATION

10. In follow up to the June 2010 board request, the PPC reviewed the indicator used as a proxy to assess financial sustainability which was included as a component in the pilot prioritisation mechanism. The PPC confirmed that despite the limitations, the use of *“General Government Expenditure on Health as a percentage of Total Government Expenditure”* (from National Health Accounts published by WHO) is the best available option as an indicator for government commitment to health and as a proxy for measuring the financial sustainability during the remainder of the pilot phase.² Of note and for the record, the PPC member from Yemen, on behalf of the developing country constituency, registered his objection to the use of this indicator

Accelerated Vaccine Introduction (AVI)

- A half day update was given to the PPC before the meeting on progress related to accelerated vaccine introduction. A presentation was also made to the full PPC. The PPC agreed that given the large populations of unimmunised children in large countries like Nigeria, India and Indonesia, it needed to formulate viable options to support immunisation in these countries. They also noted the Secretariat's plan to conduct a management review of AVI and asked that options be explored on the most appropriate means of engagement with PCC.

Country Programme Update

11. The Secretariat gave an update on key issues for monitoring country progress in 2008 and an update on the redesign of the CSO type A support. The Committee agreed that an overview of each country's overall GAVI status (current eligibility for programmes, programmes active in-country, TAP status, and projected graduation date) would be helpful. With regard to type A funds, concern was expressed about a proposal to outsource grant giving in this area – and the Secretariat was asked to continue to engage with CSOs to resolve this issue in a timely manner.

2