

GAVI Alliance Executive Committee Meeting

29 July 2010
Teleconference

FINAL MINUTES

Finding a quorum of members present¹, the meeting commenced at 17.05 Geneva time on 29 July 2010. Jaime Sepulveda, Executive Committee Chair chaired the meeting except as noted.

Given this was Daisy Mafubelu's last Executive Committee ("EC" or "Committee") meeting before she steps down from the Board, the Chair expressed appreciation for her contributions to GAVI and the Executive Committee.

The Committee reviewed the minutes of its meeting on 20 May 2010 (Doc #1 in the Committee pack).

Resolution One

The GAVI Alliance Executive Committee resolved to:

- **Approve** the minutes of its meeting on 20 May 2010.

1 Resource Mobilisation Dashboard 2010

Barry Greene, Managing Director, Finance and Operations and Daniel Thornton, Senior Advisor to the CEO reviewed GAVI's resource needs through 2015, the steps taken toward replenishment, and external developments that may affect the donor environment. Discussion followed:

- The Secretariat presented useful graphical representations of GAVI's resource needs at the 17 March 2010 EC meeting. Updated graphics² should normally be included in the dashboard.
- The Secretariat is confident that direct contributions will be maintained at or above the historical average of US\$ 350 million per year as approximately 70% of the historical average comes from four reliable donors: Bill & Melinda Gates Foundation, Norway, United Kingdom, and the United States. Conversely, decreases from these donors would have severe consequences on GAVI's ambition.

2 Programme Approvals and Financing

Helen Evans, Deputy CEO and Mr Greene requested endorsement of programme budgets and approval of near-term financial commitments for programmes (Doc

¹ Participants are listed in Attachment A

² Attachment B

#2a). Among these were programmes recommended by the Independent Review Committee (IRC) in October 2009 which the Board delegated to the EC to consider.³ In addition, Ms Evans and Mr Greene requested non-US citizens and residents to rescind a near-term financial commitment for a programme in Cuba (Doc #2b). Finally, the EC considered financing a Yellow Fever stockpile programme. Discussion followed:

- During all portions of the meeting where Cuba's programme was discussed, the Chair recused himself from leading the meeting or participating. Wayne Berson, Rajeev Venkayya, and George W. Welde, Jr also recused themselves from participation on this issue.
- Mr Berson, Audit and Finance Committee Chair, reported that all of the programme funding recommendations could be endorsed and approved by the Executive Committee in accordance with the GAVI Programme Funding Policy.⁴ However, the Audit and Finance Committee made this endorsement with caution.⁵
- "Endorsement" of a programme budget means that if funds are available and a programme has received a satisfactory review from the Monitoring IRC, GAVI intends to fund the programme through to completion. Further, endorsements constitute acknowledgement of the amounts contained in such budgets but do not constitute a funding approval, decision, obligation or commitment in a legal sense of the GAVI Alliance or its contributors.
- After programmes are endorsed, the Board or EC typically "approves" shorter term funding (generally 12 – 18 months' financial commitments) from the programme budgets, with subsequent financing dependent on the availability of funding and satisfactory review by the Monitoring IRC.
- Decision letters to eligible countries have reflected, and will continue to reflect, this process.
- Minister Gonzalez noted a request from the Cuban Government to discuss with the Secretariat a change to the timing of funds release.

Resolution Two

The GAVI Alliance Executive Committee resolved to:

- **Endorse** the following multi-year programme budgets as within the scope of the GAVI Alliance's charitable mission:
 - **US\$ 409,333,999** for existing New Vaccines Support and Health System Strengthening programmes
 - **US\$ 1,093,643,500** for new New Vaccines Support, Immunisation Services Support, Health Systems Strengthening, Civil Society Organisation support, and vaccine introduction grant programmes.

³ See Resolution 15 of the 16-17 June 2010 Board Minutes

⁴ This assertion did not account for the impact of the potential Cuba programme which Mr Berson refrained from addressing

⁵ For more information on the Audit and Finance Committee recommendation, see Section 4 of the 28 July 2010 Audit and Finance Committee Minutes

- **Endorse** reductions to the following multi-year programme budget:
 - **US\$ (92,000)** for an existing Bhutan 2010 New Vaccines Support programme

These endorsements constitute acknowledgement of the amounts contained in such budgets but do not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.

- **Approve** a financial commitment on behalf of the GAVI Alliance to fund the following:
 - **US\$ 404,145,199** in new liabilities and amendments to existing liabilities for previously endorsed New Vaccines Support and Health Systems Strengthening programmes
 - **US\$ 99,188,500** to extend previously endorsed New Vaccines Support programmes
 - **US\$ 307,002,500** in new liabilities for newly endorsed New Vaccines Support, Immunisation Services Support, Health Systems Strengthening, Civil Society Organisation support, and vaccine introduction grant programmes
- **Rescind** a financial commitment on behalf of the GAVI Alliance to fund the following:
 - **US\$ (92,000)** for an existing Bhutan 2010 New Vaccines Support programme
- **Approve** a financial commitment on behalf of the GAVI Alliance of **US\$ \$22,337,838** to fund the Yellow Fever stockpile programme.

Resolution Three

The GAVI Alliance Executive Committee resolved to:

- **Rescind** a financial commitment on behalf of the GAVI Alliance to fund the following:
 - **US\$ (682,000)** for an existing Cuba 2010 Health Systems Strengthening programme

Jaime Sepulveda, Wayne Berson, Rajeev Venkayya, and George W. Wellde, Jr recused themselves from voting on Resolution Three in its entirety.

3 The Next Round of Proposals: Timetable and Eligibility

In June 2010, the Board “welcomed and approved in principle a new application round and delegated to the Executive Committee the authority to determine during its meeting in July 2010, the date for the next meeting of the new proposals Independent Review Committee.”⁶ As such, Mr Greene, and Mercy Ahun, Managing Director, Programme Delivery presented recommendations for the timeline and eligibility criteria of the next round (Doc #3). Discussion followed:

⁶ See Resolution 15 of the 16-17 June 2010 Board Minutes

- The Audit and Finance Committee reviewed the financial implications of moving forward on the recommended timetable and concluded that the funding available for the 2011 round of applications would be determined by as yet uncommitted contributions and other income to GAVI during 2010-2015. Consequently, GAVI cannot guarantee sufficient finance for new programmes until the resource mobilisation picture becomes clearer. Since this is not likely to occur until after the 6 October 2010 resource mobilisation meeting, the Audit and Finance Committee emphasised that GAVI needed to make sure stakeholder expectations were unambiguous, accurate, clear, and managed appropriately.
- The Committee was not prepared to announce a call for proposals or set a deadline for submission of applications since it would prefer to better understand GAVI's ability to generate resources. This determination is not in conflict with the Board's approval of a new round as the EC intends to announce a call in due course.
- Until then, the Committee encouraged the Secretariat to continue working with partners to develop (and make available) the guidelines for the 2011 round of new proposals. That way the guidelines will be ready for distribution when the Board/EC announces a call and sets a submission deadline.
- It is fair to allow countries graduating from GAVI support at the end of 2010 to have a final opportunity to apply for support in 2011 given this will be the first call for new proposals after the change to the eligibility criteria. Per the Board's decision in June 2010, and pending industry agreement, all graduating countries will have access to the AMC price of \$3.50 for pneumococcal vaccine.⁷
- It should be clearly communicated that the new prioritisation principles will be assigned to all future applications and therefore higher income countries may not be approved for funding. However, graduating countries that fail to meet the DTP3 coverage screening criteria of 70% ought not to be eligible for GAVI support in the next new round in 2011.
- The Secretariat must clearly communicate the EC's decision to projected graduating countries. Further, the Secretariat should produce some modelling of the impact of the new eligibility policy on various countries and deaths averted.

Resolution Four

The GAVI Alliance Executive Committee resolved to:

- **Announce** the timing of the next call for proposals by the end of the year, subject to further understanding of GAVI's resource mobilisation efforts.
- **Allow** countries expected to graduate from GAVI support as of 1 January 2011 (in accordance with GAVI's new eligibility criteria) one final opportunity

⁷ See Resolution 3 of the 16-17 June 2010 Board Minutes

to apply for support in the new round of proposals in 2011, bearing in mind that:

- The prioritisation principles will apply such that applications from graduating countries with relatively low GNI will be ranked higher than applications from graduating countries with relatively higher GNI
- Graduating countries that fail to meet GAVI's DTP3 coverage screening criteria of 70% should not be eligible for support in this round.

4 2011-2015 Business Planning Update

Ms Evans updated the Committee on business planning development since the June meeting of the Board (Doc #4). Discussion followed:

- The Committee noted the challenges associated with developing a five year business plan, and the tight timelines for doing so, related in part to the requirement to have a package of information ready for the External Advisory Group meeting in mid-September 2010.
- The final operational plan that will be submitted to the Board will include budgetary projections for the two year period, 2011-2012.

5 Executive Committee Workplan Update

The Chair reviewed the EC Workplan, updated since the Committee endorsed it in February 2010.⁸ Due to logistical challenges posed by the forward calendar, the Committee agreed to hold a teleconference on 24 September and a face-to-face meeting on 4 November, subject to confirmation.

There being no further business, the meeting was adjourned.

Ms Ruth Khalastchi, Authorised Signatory

⁸ See Section 3 of the 9 February 2010 Minutes

Attachment A

Participants

Committee Members

- Jaime Sepulveda, Committee Chair
- Wayne Berson
- Armin Fidler
- Ashutosh Garg
- Gustavo Gonzalez-Canali
- Guillermo Gonzalez Gonzalez
- Suresh Jadhav
- Daisy Mafubelu
- George W. Wellde, Jr

Regrets

- Julian Lob-Levyt (non-voting)

Alternates Observing

- Jean-Marie Okwo-Bele
- Rajeev Venkayya*

Secretariat

- Mercy Ahun
- Santiago Cornejo
- Helen Evans
- Barry Greene
- Ruth Khalastchi
- Stephen Nurse-Findlay
- Daniel Thornton

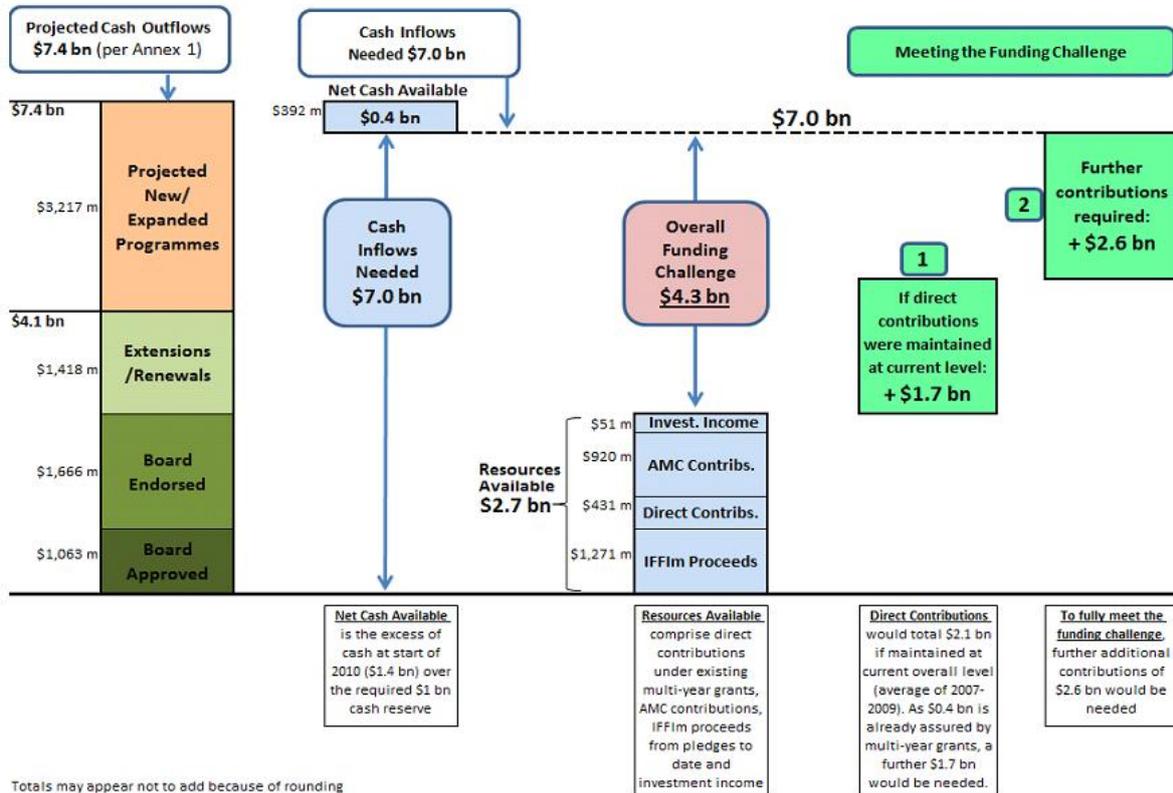
Guest

- Violaine Mitchell, Bill & Melinda Gates Foundation

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

Overview of Projected Demand and Resources

Figure 6: Overview of Projected Demand and Resources 2010 - 2015



Quantifying the funding challenge

Overview of projected demand and resources, 2010-2015

