



GAVI Alliance Executive Committee Meeting

26 September 2011

Teleconference

FINAL MINUTES

1. Chair's report

- 1.1 Finding a quorum of members present, the meeting commenced at 16.02 Geneva time on 26 September 2011. Jaime Sepulveda, Executive Committee Chair, chaired the meeting, except for the parts of the meeting described in these minutes in sections 3a and 4a. The Executive Committee invited Dagfinn Høybråten, Board Chair, to chair the meeting during the parts of the meeting described in these minutes in sections 3a and 4a.
- 1.2 Standing declarations of interest were tabled to the Committee (Doc #1a in the Committee pack). The Chair noted his new affiliation with the University of California, San Francisco but declared no conflicts associated with that affiliation. Ronald Brus noted Crucell's purchase by Johnson & Johnson and declared his interest in any matter involving either of these entities. Geeta Rao Gupta declared her interest in matters before the Committee involving UNICEF.
- 1.3 The Committee reviewed the minutes of its meeting on 12 April 2011 (Doc #1b). These minutes were approved by no objection on 20 June 2011 under section 2.7.3.3 of the By-Laws.
- 1.4 The Committee reviewed its forward workplan (Doc #1c). The Committee requested the Secretariat to provide commentary on the implementation of the 2011 business plan when it presented the 2012 business plan. Further, the Committee would like to include cash programmes risk management and future resource mobilisation efforts on its forward agenda.

2. Next meeting

- 2.1 The Committee agreed to meet on 15 November 2011 in Dhaka, Bangladesh in lieu of its scheduled teleconference on 9 November. The Committee also decided to receive the CEO report informally at the meeting's conclusion.

3. Financial forecast and programme funding

- 3.1 Barry Greene, Managing Director of Finance and Operations informed the Committee of the updated financial forecast for 2011-2016, and requested that the Committee endorse budgets and approve funding for GAVI programmes (Doc #3). These requests derive primarily from the recommendations of the Independent Review Committee (“IRC”) for New Proposals and the Monitoring IRC.
- 3.2 The updated financial forecast incorporates the latest demand estimates, funding decisions to date, and funding requests to be considered by the Committee. In sum, the Committee was requested to endorse programme budgets in excess of US\$ 1.5 billion and near-term funding of approximately \$1 billion.
- 3.3 In support of these recommendations, on 23 September 2011, the Audit and Finance Committee noted that it reviewed the financial implications of the Programme Funding Plan, and that it could be approved by the Board or Executive Committee in accordance with the Programme Funding Policy.

Discussion

- Since the pledging conference in June 2011, much has transpired in the global economic environment, including increased uncertainty about the stability of the creditworthiness of some donor governments. As such, GAVI should be careful to monitor reliability of donor payments against pledges. However, GAVI can be comforted that the pledges made to it were at the highest levels of government and came largely from countries not under severe fiscal constraints.
- The Committee requested additional information as to how uncertainty of donor payments is accounted for in the forecast. For example, projected annual donations to GAVI in 2016 are three times the average annual donations to GAVI prior to the recent pledging conference. The receipt of substantially lower revenue in later years could have consequences for approving programmes in the near to medium term.
- The forecast presented to the Board in July 2011 signalled that funds pledged to GAVI were in excess of the country demand anticipated. However, the Board noted that demand could turn out to be higher than expected. Barry Greene reported that demand has already been shown to be much higher than expected as evidenced by the most recent round of proposals. The Committee was struck by the increase and concerned that this could limit the Board’s ability to make future strategic programme choices.
- The Secretariat confirmed that the programmes under consideration did not support vaccines beyond those that GAVI has historically offered (i.e. were not “new programme windows”). Committee members looked forward to further discussions at the Board-level as to strategic choices involved in

selecting and funding GAVI endorsed vaccines weighted against other new developments.

Resolution One

The GAVI Alliance Executive Committee:

- **Endorsed** a net increase in programme budgets by US\$ 1,507.8 million (for unrestricted countries).
- **Approved** a net increase of near-term programme liabilities (a sub-component of endorsed programme budgets) by US\$ 999.6 million (for unrestricted countries).

3a. Programme funding – restricted countries

- 3a.1 During this section of the meeting (3a), Dagfinn Høybråten chaired the meeting. Jaime Sepulveda; Amie Batson; Wayne Berson; Geeta Rao Gupta; Rajeev Venkayya; and George W. Wellde, Jr recused themselves from participating in discussion or voting. In addition, Seth Berkley recused himself from participating in discussion and was ineligible to vote.
- 3a.2 Barry Greene requested that the Committee endorse budgets and approve funding for GAVI programmes in (North) Sudan and Myanmar. These recommendations derive primarily from the recommendations of the New Proposals IRC and Monitoring IRC.

Resolution Two

The GAVI Alliance Executive Committee:

- **Endorsed** a net increase in programme budgets by US\$ 8.7 million (in session without the participation of US citizens and residents for restricted countries).
- **Approved** a net reduction of near-term programme liabilities by US\$ -20.4 million (in session without the participation of US citizens and residents for restricted countries).

Jaime Sepulveda; Amie Batson; Wayne Berson; Geeta Rao Gupta; Rajeev Venkayya; and George W. Wellde, Jr did not participate in voting on these resolutions.

4. Independent Review Committee recommendations

- 4.1 Clifford Kamara, Chair of the Independent Review Committee informed the Executive Committee on the outcomes of the New Proposals IRC and Monitoring IRC reviews (Doc #4). Notably, the New Proposals IRC received 74 proposals from 50 countries; 50 proposals had been recommended for approval. In addition, the Monitoring IRC received 176 grant renewal requests; 131 were recommended for approval.
- 4.2 Further, Clifford Kamara outlined several themes that had arisen during the course of the IRCs' reviews. These themes included slow grant disbursement and implementation of country commitments; equity gaps in immunisation coverage across socio-economic groups; some unreliability of administrative coverage data in countries with weak health information systems; implementation challenges associated with health systems programmes, particularly in fragile states; supply chain weaknesses; and risks associated with introducing multiple vaccines all at once in countries.
- 4.3 Mercy Ahun, Managing Director of Programme Delivery reported that the challenges Clifford Kamara outlined would be discussed within the Secretariat and then with the Programme and Policy Committee.
- 4.4 Finally, Mercy Ahun requested that the DTP3 coverage, as applied to Somalia, involve coverage achieved through both routine services and Child Health Days due to the fragile situation in country. Further, she requested that the CEO be given the authority to make decisions in relation to Pakistan in view of the fluid situation due to the devolution of the Pakistani Ministry of Health.

Discussion

- Of the 19 proposals for health systems funding, only two were recommended outright and seven recommended with some clarifications. The IRC had noted that some HSS programmes experienced implementation challenges and needed to be reprogrammed. In addition, there were difficulties related to assurances that the Transparency and Accountability Policy ("TAP") would be satisfactorily complied with, including country submission of certified financial statements and audit reports.
- The Committee requested additional information on the technical and fiduciary risk management of health systems funding. In this vein, there was also a suggestion that a more explicit connection between the programme approvals request and the IRC recommendations could be useful.
- The amount of funding to Pakistan poses a significant risk exposure. As such, there should be enhanced monitoring and evaluation of this programme and reporting back to the Board or Executive Committee.

Resolution Three

The GAVI Alliance Executive Committee:

- **Endorsed** the technical recommendations of the Monitoring and New Proposals IRCs, including requests for active grant renewals and new vaccine support for the period 2012-2014.
- **Approved** exceptionally a waiver to GAVI's 50% DTP3 coverage which is normally required in order to apply and be approved for NVS support, given the evidence that coverage in Somalia is greater than 50% when Child Health Days are taken into consideration, thereby allowing Somalia to be approved for a new Pentavalent vaccine grant.
- **Delegated** authority to the CEO to make final decisions on appropriate strategies to manage the implications of devolution of Ministry of Health activities in Pakistan in collaboration with GAVI's partners and to report back to the Executive Committee and/or the Board on decisions taken.

4a. Independent Review Committee recommendations – restricted countries

- 4a.1 During this section of the meeting (4a), Dagfinn Høybråten chaired the meeting. Jaime Sepulveda; Amie Batson; Wayne Berson; Geeta Rao Gupta; Rajeev Venkayya; and George W. Wellde, Jr recused themselves from participating in discussion or voting. In addition, Seth Berkley recused himself from participating in discussion and was ineligible to vote.

Resolution Four

The GAVI Alliance Executive Committee:

- **Endorsed**, in session without the participation of US citizens and residents, the technical recommendations of the Monitoring and New Proposals IRCs for the restricted countries of the Republic of the Sudan and the Union of Myanmar.

Jaime Sepulveda; Amie Batson; Wayne Berson; Geeta Rao Gupta; Rajeev Venkayya; and George W. Wellde, Jr did not participate in voting on this resolution.

The Committee temporarily adjourned the meeting to consider commercially sensitive items concerning an AMC Firm Order Commitment and a rotavirus vaccine supply commitment.



GAVI Alliance Executive Committee Meeting
26 September 2011

After reconvening, the Committee reviewed the resolution language contained in these minutes. Finally, after determining there was no further business, the meeting was brought to a close.

Ms Debbie Adams
Secretary to the Board

Attachment A

Participants

Committee Members

- Jaime Sepulveda, Chair (as indicated)
- Cristian Baeza
- Amie Batson
- Wayne Berson
- Ronald Brus
- Ashutosh Garg
- Guillermo González González
- Geeta Rao Gupta
- George W. Wellde Jr.
- Seth Berkley (non-voting)

Other Board Members attending

- Dagfinn Høybråten, Board Chair

Alternates attending

- Rajeev Venkayya*

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

GAVI

- Debbie Adams
- Mercy Ahun
- Tony Dutson
- Helen Evans
- Barry Greene
- Kevin A. Klock
- Nina Schwalbe
- Daniel Thornton

Guests

- Aksel Jakobsen, Senior Advisor to the Board Chair
- Clifford Kamara, Chair of the Independent Review Committee
- Violaine Mitchell, Bill & Melinda Gates Foundation