

INFORMATION**CEO Report to the Board****November 2009****Introduction**

1. As we approach our tenth anniversary, all of us in the GAVI Alliance can feel proud of our achievements. Globally, immunisation rates are climbing again and are at their highest ever level. More children than ever are being immunised: a record 106 million children were vaccinated in 2008. The reversal of what 10 years ago was a downward trend is directly attributable to the efforts of developing countries, making good use of support provided by the Alliance and partners. This was a key message in the 'State of the world's vaccines and immunisation' report launched last month by WHO, the World Bank and UNICEF. The most recent results of GAVI's impact, calculated annually by WHO, demonstrate our progress. The recent outcomes of UNICEF tenders for GAVI-supported vaccines also provide evidence of our success in shaping the market. Country demand for existing vaccines has never been higher, and demand for pentavalent vaccine is now almost universal, and that for the new pneumococcal and rotavirus vaccines is growing rapidly. Finally all countries have met or exceeded their commitments to co-finance the vaccines. My conclusion is that as part of the Alliance, GAVI eligible countries have met or exceeded all expectations.
2. Even under the most conservative of projections, we have the funds to meet all of our current commitments, including extensions and renewals of existing programmes, to countries. But we cannot meet all of the projected demand for the new life-saving vaccines. When the Board last met in Washington in June I warned that... "some tough choices may lie ahead. If we do not raise sufficient resources, by 2011 we will have to make significant programme reductions, as a result children will not survive to their fifth birthdays." Today, the picture is clearer: we have updated our demand forecasts to take account of the success of the Accelerated Vaccine Initiative in encouraging demand for the pneumococcal and rotavirus vaccines; we have in part clarified immediate donor intentions and several donors are reducing their aid budgets (see board document 3 – 'managing GAVI's finances'.)
3. The updated estimates show that, if we are to meet the increasing pace of country demand, we need to raise in the order of US\$ 4 billion of additional funds between now and 2015. In the wider scheme of things, some suggest that this is not a huge ask – but coinciding with a global recession and some donors tightening their aid budgets, this now represents a significant challenge and demands an even stronger and collective effort on all of our parts. The solution lies in a two pronged strategy, not only in mobilising new resources, both traditional and through innovative means, but also a strategy to reduce the prices of our key cost driver, the price of new vaccines, combined with the tools to prioritise against available resources. It is clear the next two years will be challenging and we need to look to short, medium and long term solutions and strategies.

The Board meeting

4. Underlying much of the agenda for Hanoi is the challenge we have in managing GAVI's finances referred to above. We need to prepare for the eventuality that additional resources are not available. The Board has before it decisions that would ensure we retain a minimum reserve of cash and investments so that we can meet our obligations. The level of that reserve will determine our ability to deliver the programme. There are also proposals to pause consideration of the IRC recommendations on new submissions for funding until the next Board meeting in June by which time our funding situation will be much clearer. The secretariat is also recommending that new HSS programme expenditure should be put on

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hold while we take into account the results of the HSS evaluation – including in relation to technical assistance - define better indicators, and consider the potential to transfer funding of country proposals to the new joint platform mechanism. These are responsible considerations in an uncertain environment.

5. GAVI's recent history has demonstrated a capacity for making difficult decisions. Remember that the vaccine investment strategy we agreed last year was the result of well over twelve months of solid research, debate and analysis. We examined the 18 potential vaccines nominated as potential priorities by WHO health experts and agreed a framework for making decisions and then applied that to the vaccine candidates. We explored prioritisation from various perspectives. We did the demand forecasts, we reviewed the price projections, and we looked at mortality and morbidity impacts. We crunched the numbers. In the end, the Board agreed on four vaccines (HPV, rubella, typhoid and Japanese encephalitis) which would have most impact on reducing the disease burden in GAVI eligible countries. We made tough decisions to prioritise and at the same time we acknowledged there were potential new vaccines which we needed to keep under consideration. This was GAVI Alliance evidence-based decision-making at its best. We now have to replicate that kind of policy development and apply it to resource allocation, IF we cannot raise the funds.
6. Consequently and at the Board's request, we have prepared a paper on principles for prioritisation that sets out a framework for a decision-making process that in the current global economic environment it would be negligent to not prepare appropriately.
7. In Hanoi we will also discuss fundamental aspects of GAVI's business including a policy on country eligibility and when and how to graduate countries from GAVI support. We will also decide on a policy for in-kind vaccine donations and have the opportunity to focus on how we move forward with support for health systems strengthening. All of these issues have been considered carefully by the Programme and Policy Committee in several meetings since the last Board meeting.
8. In the rest of this report, I provide:
 - A preview the GAVI Alliance results that I will present in Hanoi;
 - An update on our programme status;
 - An update on governance and Secretariat management; and
 - A look to the future and how we will set the Alliance's strategy for the next five years.

Results demonstrated

9. It is appropriate that in the week we will gather in Vietnam, the world will celebrate the 20th anniversary of the Convention on the Rights of the Child. In Hanoi I will present new data on GAVI's impact but I share with you here the headlines.
10. **By the end of 2009, nearly 4 million future deaths caused by pertussis, Hib or hepatitis B will have been prevented** through GAVI Alliance support. This is the latest official WHO annual data on GAVI results. Four million people who will not die prematurely; millions more who will not fall sick and who will not suffer from chronic illnesses. It is an extraordinary result and represents an increase of 600,000 on the figure for the end of 2008. As you will

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appreciate, this tells only part of the story of GAVI's impact. Our support extends well beyond these three diseases on which WHO's calculations are based (we are working with WHO to update the methodology), but we can estimate that GAVI support has prevented around 755,000 future deaths from measles, and around 140,000 future deaths from yellow fever.¹ The GAVI effect has also been felt more broadly across national health services and the global vaccine market. WHO projects that **by the end of this year, GAVI supported vaccines will have reached an additional 257 million children.**

11. Another source of evidence of GAVI's impact is the outcomes of UNICEF's recent tender for pentavalent vaccine. We finally see a significant price drop with the weighted average price for 2010 falling below \$3, a drop of almost \$0.35 per dose on the 2009 price. Our projections are for a further decline of about \$0.64 per dose over the next three years. This is the GAVI effect at work – encouraging and pooling growing demand from countries, attracting new manufacturers and increasing competition to drive down prices.
12. While the **pentavalent vaccine price drop** is one that we should celebrate, it has been a long time coming - **much later than we had hoped at the outset of GAVI, and it needs to fall further.** Pentavalent is projected to be the single biggest expenditure for GAVI through to 2015, accounting for some 40 per cent of our vaccine spending. Its price, and those of other GAVI vaccines, is the major determinant of what the GAVI Alliance can and cannot do.
13. This is why **the vaccine market deserves a much closer analysis.** Mergers and acquisitions, the place of vaccine production within the broader pharmaceutical business, the growing manufacturing base in developing countries, developments in approaches to tiered pricing, and new research and development partnerships – these are all part of a shifting landscape that we need to better understand in order to influence vaccine prices.
14. GAVI's business model relies on fostering a **healthy vaccine market** and we all recognise the essential market drivers. But what if we change our perspective and look not just at how consolidating developing country markets increases the volume of demand and affects price? What if we reverse the paradigm and explore how price drops might generate increased demand? I believe it is time to push harder on the door of manufacturers. We are currently in discussions with the Gates Foundation on how we can work to accelerate reductions in vaccine prices, and this will likely generate a vital new stream of work in 2010 in collaboration with the Foundation and others. I look forward to hearing your views on how we can improve the way that the vaccine market works for low-income countries.

Programme update

15. The legal documents for the **Advance Market Commitment** for pneumococcal vaccine were signed by donors soon after our last Board meeting in June, and four companies submitted bids in response to UNICEF's first call for supply offers. We now have the very real potential for the first new pneumococcal vaccine to be delivered in country in the course of the next year. Progress on this vaccine is vital: a child dies from pneumonia every 15 seconds, and the MDGs will not be attained without such interventions. I would like to thank all those involved in making World Pneumonia Day in November such a success.
16. We are also hearing calls to move quickly on a second AMC. Armed with lessons learned from the pilot, we will work closely with partners, particularly the World Bank, to progress this. One major lesson that donors will need to bear in mind is that pooling funds to stimulate

¹ The figures for measles and yellow fever are drawn from the investment cases in vaccines against these diseases, and from annual reports.

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production capacity is only part of the story. Money is also required to buy the vaccine. The AMC is a mechanism to address market failure, but it needs to be matched by a donor commitment to invest in purchase of the subsequent product.

17. Country **demand for pneumococcal vaccine has accelerated dramatically** with the October Independent Review Committee (IRC) assessing 11 new country proposals, a doubling of country demand in 12 months. The same IRC also assessed nine new proposals for **rotavirus vaccine**, catalysed by the June WHO recommendation of the vaccine's suitability for all regions of the world, and the AVI Partners' success in stimulating demand. Interestingly, eight countries applied for both pneumococcal and rotavirus vaccines, illustrating their preparedness to overstep traditional approaches of sequenced introduction of new vaccines. The appetite of countries is clear and the fact that these new vaccine proposals carry a country responsibility to co-finance their cost illustrates the strength of the evidence-based decisions countries are making about their own health investments.
18. During a recent visit to the **Solomon Islands** – a country where I was a Provincial Chief medical Officer 25 years ago - I was struck by how current donor support, including GAVI, was fragmenting the health system. That despite a significant increase in highly competent staff, how little progress had been made. Senior ministry staff identified poorly integrated services as a result of donor funding as the key determinant. We have to do better than this. Which brings me to **health system support**.
19. We have now received the report of the mid-term evaluation of our HSS programme as well as outcomes of a related tracking study that sought to dig deeper into the end use of GAVI HSS funding support. The reports have been shared with the Board together with partners' comments. We are recommending that new HSS programme expenditure should be put on hold while we take into account the results of the studies. I look forward to discussing the studies in the PPC, particularly considering how we might continue to address some of the identified issues, including the quality of technical assistance to countries, our ability to manage risk effectively, and monitoring and reporting systems. Some areas identified for improvement are already in progress – for example the Financial Management Assessment process under GAVI's Transparency and Accountability policy, which I discussed at the last Board, that is now being rolled out in an increasing number of countries with the secretariat team now in place and fully staffed.
20. GAVI's HSS generated tremendous demand from low income countries because it provided access to flexible and predictable funding for priorities that countries themselves identified and funds came through a relatively straight-forward application process. It was pleasing to see the evaluation team applauding the Board's decision to fund HSS, describing it as 'bold and innovative' – that is exactly what GAVI was set up to be.
21. We now have the opportunity to build on GAVI's HSS experience and the lessons of the evaluation through the new **joint platform for HSS** support that we are building with the World Bank, the Global Fund and WHO. This joint platform needs to be available for other agencies and donors to join. Paradoxically, as the platform is established it should allow GAVI to focus on its core mission, as the platform will give us the opportunity to ensure that the funds are used in a catalytic way which reflects GAVI's principles and track record in innovation.
22. You have received a board paper on this initiative, which was developed under the guidance of the Programme and Policy Committee over the past several months. The key success measure will be whether by combining efforts and harmonising processes, we can make external support for health a more simple procedure for countries in a way that reinforces country ownership. It is not just a question of garnering more money for health, but also

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ensuring more health for the money. We have to simplify the systems of external support, harmonise our approaches and ensure that support is provided in a way that best empowers the frontline health workers to deliver.

23. The joint platform was a key recommendation of the High Level Taskforce on Innovative International Financing for Health Systems that was co-chaired by the World Bank President and the UK Prime Minister. The report attracted significant attention at the UN General Assembly in September when several national leaders committed to pursuing its recommendations. The announcement by the UK, Norway and Australia of a total of a billion dollars to an **expanded IFFIm** for health systems was particularly welcome. Not only does it show a recognition by donors of the importance of funding health systems, but it also represented a resounding affirmation of the success of GAVI's incubation of the International Finance Facility for Immunisation. IFFIm is the first aid financing mechanism in history that has attracted legally binding commitments of 20 years from donor governments. We have redefined the boundaries of long-term predictable development financing.
24. The commitments announced in New York also demonstrate that despite the economic downturn, donors are prepared to make long-term commitments to quality aid investments. However, as I said when welcoming the announcement of more funding for health systems strengthening, there remains a pressing need for additional resources to fund the credible country demand for new vaccines. While we are having positive discussions with the same donors about stepping up their contributions to GAVI, the additional funds pledged in New York were specifically aimed at health systems support through a joint platform.

Governance and management

25. In response to the tight financial situation we have looked hard at the current year's expenditure and revised the budget for 2010. However, we need to continue to be responsible stewards of donor resources, and the GAVI business model is designed to minimise overhead costs. I committed at the last Board meeting to find **savings across the GAVI budget**, including our administration and the workplan budgets and am pleased to report that we have worked with partners to restructure and reduce this year's workplan by 8.7 per cent.
26. **Programme expenditures** have also been reduced. We will continue to explore strategies to increase programme efficiencies. For example, stock management, especially for the more expensive vaccines, is a primary consideration. In the meantime, there have already been some reductions. Ethiopia, for example, improved its census data which resulted in a reduced population size and therefore reduced vaccine needs. In a country as large as Ethiopia, this has substantial financial implications. Two other large countries, Pakistan and Bangladesh, have decided to adopt a more realistic pace for pentavalent introduction.
27. The new GAVI Alliance legal entity is less than a year old and inevitably there continue to be growing pains. I believe that the committee system is settling down, and ensuring that when an issue reaches the Board, the Board is able to have a strategic discussion. You will see that most of the papers you have before you today have been considered and reviewed by a Board committee. Of course there will be times when some feel that they have not been consulted far enough in advance when we invite the Board to take a decision; and there will be times when others feel that we are consulting too widely and not moving fast enough. The committee system allows us to strike a balance between these views and ensures board oversight but it does depend upon constituency representatives taking responsibility for involving other constituency members. The committees' self-assessments will provide an

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opportunity to consider this issue, among others, to ensure that the Alliance's decision making is as effective and inclusive as possible.

28. I am delighted to see GAVI Alliance Board members more actively engaged in advocacy and resource mobilisation. As we discussed at our last meeting in Washington, success in advocacy is a shared responsibility and many board members are expertly placed to advance the case for immunisation and better health as well as GAVI's resource needs. I appreciate that many board members have taken their own initiative and others have worked with the Secretariat to invest their personal time and energy in targeted ways to advance our shared Alliance interests.
29. While remaining a small strategic Secretariat, we are taking steps to strengthen our capacity, particularly to address the resource challenges we face. I am heartened by the many comments from staff and Alliance partners on the tremendously positive contribution that Helen Evans is making as the new Deputy CEO. On the financing side, Alice Albright was sought out for a senior position in the Obama administration - the administration's gain was our loss. Alice made an enormous contribution to GAVI as Chief Financial Officer. We are actively recruiting a new combined head of Washington DC office and Managing Director of Innovative Financing and I hope shortly to be able to make that announcement.
30. I am also pleased to announce the appointment of Barry Greene as **Managing Director Finance and Operations**, based in Geneva. Barry comes to us from the Global Fund to Fight AIDS, Tuberculosis and Malaria, where he was Chief Finance Officer from 2002; he also has significant private sector experience. I know that the Board will also join me in welcoming Cees Klumper to the newly created position of **Director Internal Audit**. Cees will report to me, the Audit and Finance Committee, and/or the Board as appropriate. He brings a wealth of experience working with large international firms both in the United States and his home country of the Netherlands. I am grateful to Wayne Berson for his help with the selection of Barry and Cees. With these three senior appointments in place we will have a renewed focus on both our stewardship of donor funds and on innovative financing, reflecting the priority we need to attach to these.
31. It is one year since the Board approved the new **Human Resources strategy** for the Secretariat and our small HR unit has worked tirelessly to implement it. We now have all of the critical pieces in place including staff retirement savings plans and health insurance. Specialised training in new approaches to performance management is currently being rolled out to ensure that we capitalise fully on the wealth of talent that we have been able to recruit to the Secretariat. The transition to our new legal status as an international institution recognised under federal Swiss law is now complete with the headquarters agreement signed formally in early summer. We linked our two offices by video to celebrate the occasion together with 150 invited colleagues. By the end of the year we should have filled nearly all vacant posts, a process that has been challenging and took longer than expected.

Looking forward

32. In Hanoi we will discuss the process for the work that is ahead in developing the GAVI Alliance Strategic Plan for 2011-2015. Under the guidance of the Board and Executive Committee, Helen will take the lead in the secretariat on this work. My assessment is that our current strategic plan has served us well with its four clear goals. You will have noticed that the annual GAVI Progress Report is shaped around the framework of the four goals and on each we have continued to make significant progress. Conversations so far have indicated we may not need to substantially change strategic direction. After all, we have a winning

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model, the results to prove that and the prospect of even greater achievements ahead. But we should not rest on our laurels and it has always been part of the GAVI ethos to question and to challenge. So I look forward to working with the Board to reflect hard on our record and the lessons of our experience in GAVI's first decade.

33. We should challenge ourselves to define more clearly the value added that we each bring to our collective Alliance effort and to search for even higher aspirations as we move into the final stretch to meet the MDGs. There is one foundation principle that we must guard and defend at all cost. That is to ensure that we continue to be led in policy and programme decisions by the developing country members of the Alliance, with the clear caveat that this will be within a framework that the Alliance can support. GAVI cannot fund all things – it has to keep its focus. But, not only is it the right of the people of the developing world to define their development course but it is also the only way to ensure sustainable outcomes that will continue to be effective for many years.
34. Immediately following our Board meeting we will be joined by over 400 delegates representing the full diversity of the partners in the GAVI Alliance for two days of celebration and reflection. For many who will come to the GAVI Partners' Forum it will be their first exposure to the full breadth of the Alliance, from the leadership of global pharmaceutical companies to those delivering immunisation services in far-flung villages; from technical specialists to global health advocates. We have put particular effort into ensuring strong representation from GAVI-eligible countries, including from both government and civil society. Our objectives are:
 - i. To share, celebrate and learn from the GAVI Alliance's results, innovations and impact to date.
 - ii. To reaffirm and broaden the GAVI partnership by providing a forum to:
 - Enable a range of existing partners to share their experiences and exchange ideas.
 - Strengthen the involvement of specific stakeholder groups, particularly civil society.
 - iii. To identify key opportunities and challenges for the future and enable partners to inform GAVI's strategic direction for 2011-2015.
35. The event will reaffirm as well as broaden the GAVI partnership and consequently the Secretariat has worked with a range of Alliance partners, old and new, to shape the agenda and share responsibility for a variety of exciting workshops and plenary sessions. I personally am looking forward to stimulating discussion and hearing fresh ideas that will add value to our work. It will also be a unique opportunity to hear views on our strategic direction. The Partners' Forum will start with an opening ceremony and dinner reception at the Hanoi Opera House on Wednesday evening hosted by the Prime Minister of Vietnam, the Honourable Nguyen Tan Dung. On 21 November, representatives from over 45 civil society organisations who advocate and make services work for the poor will come together as critical supporters of GAVI's mission.
36. After the Board meeting in Hanoi, I trust that board members will step up their direct engagement as we further roll out our advocacy and resource mobilisation efforts. We look to build new networks of support and seek to both shape the policy environment in ways most conducive to the success of our mission as well as to attract the donor resources required. In the lead up to our resource mobilisation event in March, we will seek to build on the growing recognition of the promise of new vaccines and the value that they represent. We will work in close partnership with developing country and civil society advocates and promote the voices of those who have the direct knowledge and personal experience of the transforming impact that immunisation has on children and their families in the developing world. We will also look

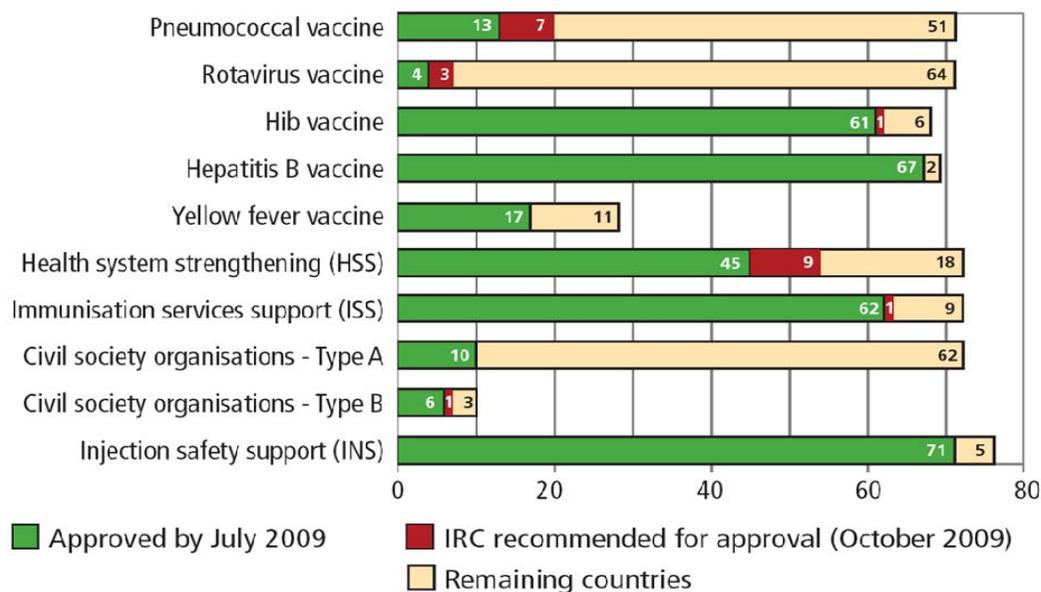
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to promote the success of the GAVI model and to reflect on the ingredients of that success and the lessons we have learned. It is with this in mind that we are working closely with the World Economic Forum to organise some special events at the annual WEF meeting in Davos in late January. The plan is to mark ten years since the Global Alliance for Vaccines and Immunisation was formally launched at Davos. It will be the start of GAVI's advocacy efforts for 2010, which promises to be a year of political opportunity. The recalibration of global cooperation with the transition from the G8 to the G20 and the high level UN general Assembly event on the MDGs are just two of the markers. We are also pleased that Spain has decided to make Global Health a priority during its EU Presidency in the first half of 2010, and look forward to working with them to see what more we can do with EU bilateral donors and the European Commission.

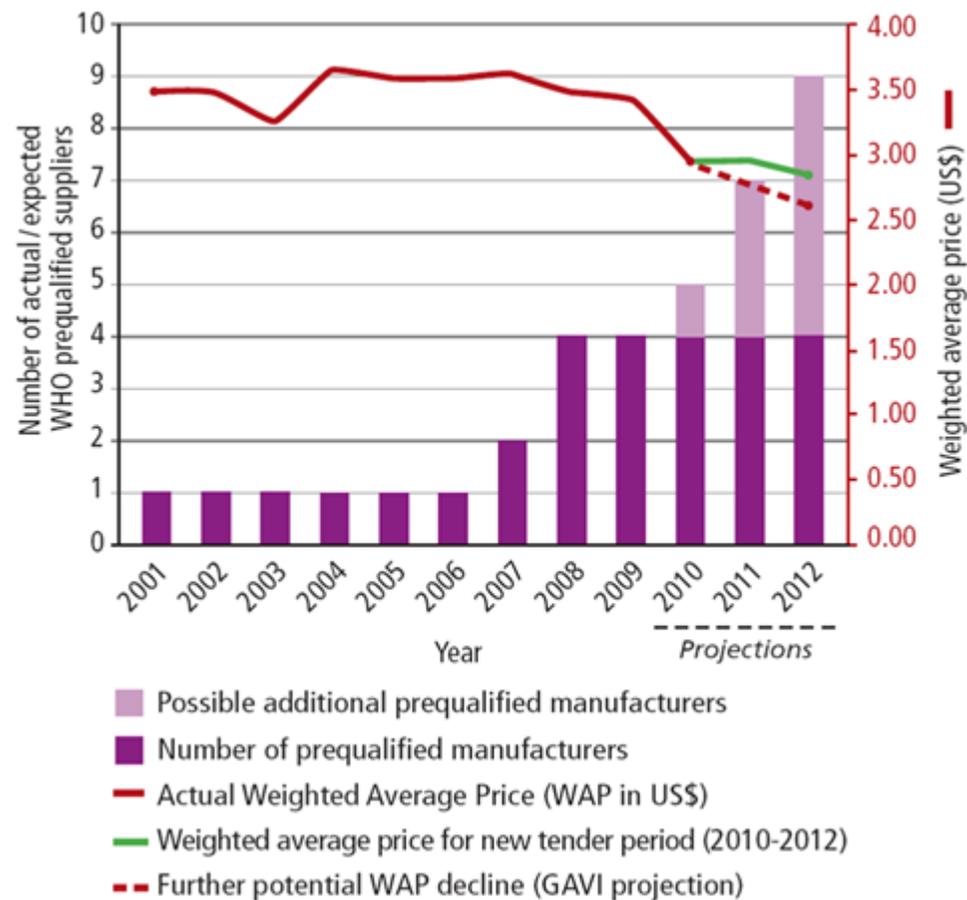
Conclusion

37. The first decade of the GAVI Alliance has been one of tremendous success, one that can be measured empirically by the hundreds of millions of additional children reached with powerful vaccines and the consequent aversion of debilitating illness and needless death. Ten years ago the visionaries who launched the GAVI Alliance dreamed of not just expanding the reach of immunisation into the poorest corners of the globe but also of catalysing change in the dynamics of the vaccine market. They set about forging a new style of partnership that drew on the best that the private and public sectors had to offer. They envisaged a new mode of development that backed developing countries themselves in their leadership.
38. GAVI is a responsible investor of donor funds. We answer to the demand of countries and we will continue to ensure that when the Board decides to endorse an IRC recommendation and support a particular country with a particular programme, we have the funds to back that commitment. Predictability is critical to our business.
39. It is my hope that our meeting in Vietnam will build on the spirit of the Board retreat we held in Rotterdam at the start of the year and commit to the Board, Alliance partners and the Secretariat together applying our collective wisdom and persuasive skills to resource mobilisation, and that we continue to look outwards and forwards. I would like to thank those board members who have already devoted so much of their time, energy and contacts to supporting this effort. We need to make the case that investments in vaccines are up there with the best investments that can be made for human development. They represent proven efficacy, an exceptional return on investment and a direct commitment to protecting that most valuable resource – the people of the next generation.

Rising country demand - Number of countries approved, recommended and eligible, Nov 2009



Pentavalent vaccine market dynamics: Price and Supply



Monies received by GAVI - Direct contributions + IFFIm to GFA transfers

\$ 000	Pre IFFIm		Post IFFIm	
	2000-05		2006-09	
United Kingdom	50,234	3.0%	888,061	30.7%
France	6,029	0.4%	561,150	19.4%
Norway	141,471	8.5%	291,198	10.1%
United States	283,212	17.0%	285,513	9.9%
Bill & Melinda Gates Foundation	912,838	54.8%	225,000	7.8%
Italy	-	0.0%	189,377	6.5%
Spain	-	0.0%	116,334	4.0%
Netherlands	87,117	5.2%	103,638	3.6%
Sweden	22,987	1.4%	67,276	2.3%
EC	1,260	0.1%	53,765	1.9%
Ireland	2,616	0.2%	22,130	0.8%
Australia	-	0.0%	20,000	0.7%
Denmark	7,902	0.5%	18,247	0.6%
Germany	-	0.0%	16,929	0.6%
La Caixa	-	0.0%	11,209	0.4%
South Africa	-	0.0%	6,309	0.2%
Other Private GAVI Fund	6,510	0.4%	5,569	0.2%
Canada	143,537	8.6%	5,190	0.2%
Luxembourg	645	0.0%	4,745	0.2%
* Total	1,666,359	100.0%	2,891,641	100.0%

Notes

- * 2000-2008 are actuals. 2009 is an estimate
- * Contributions = direct donor contributions to GAVI + GFA funds received from IFFIm prorated to donors based on their total pledge as a % of total IFFIm pledges
- * No AMC monies have yet been received by GAVI even though Italy & Canada transfer monies to the World Bank for the AMC in 2009
- * Core contribution values reflect local currency values converted into USD using the FX rate of the day of receipt. IFFIm to GFA transfers are made in USD.

Donor contributions to GAVI and World Bank (IFFIm + AMC)

\$ 000	Pre IFFIm		Post IFFIm	
	2000-05		2006-09	
Norway	141,471	8.5%	303,336	16.6%
United States	283,212	17.0%	285,513	15.6%
Bill & Melinda Gates Foundation	912,838	54.8%	225,000	12.3%
Italy	-	0.0%	181,640	9.9%
United Kingdom	50,234	3.0%	166,157	9.1%
France	6,029	0.4%	145,544	8.0%
Canada	143,537	8.6%	110,483	6.0%
Netherlands	87,117	5.2%	103,638	5.7%
Spain	-	0.0%	87,068	4.8%
Sweden	22,987	1.4%	62,732	3.4%
EC	1,260	0.1%	53,765	2.9%
Ireland	2,616	0.2%	22,130	1.2%
Australia	-	0.0%	20,000	1.1%
Denmark	7,902	0.5%	18,247	1.0%
Germany	-	0.0%	16,929	0.9%
La Caixa	-	0.0%	11,209	0.6%
Other Private GAVI Fund	6,510	0.4%	5,569	0.3%
Luxembourg	645	0.0%	4,745	0.3%
South Africa	-	0.0%	2,865	0.2%
* Total	1,666,359	100.0%	1,826,571	100.0%

Notes

- * 2000-2008 are actuals. 2009 is an estimate
- * Contributions = direct core donor contributions to GAVI + donor contributions to IFFIm and AMC (transfers made to World Bank)
- * Core contribution values reflect local currency values converted in USD using the FX rate of the day of receipt. IFFIm and AMC contributions reflect USD equivalents

Monies received by GAVI - Direct contributions + IFFIm to GFA transfers

\$ 000

	2000 Act	2001 Act	2002 Act	2003 Act	2004 Act	2005 Act	2006 Act	2007 Act	2008 Act	2009 Est
United Kingdom	4,463	-	15,048	5,606	18,492	6,625	281,603	258,996	134,248	213,213
France	-	-	-	-	6,029	-	186,480	141,886	90,325	142,459
United States	-	48,092	53,000	58,000	59,640	64,480	69,300	69,300	71,913	75,000
Bill & Melinda Gates Foundation	325,000	425,000	-	3,500	5,000	154,338	-	75,000	75,000	75,000
Norway	-	17,895	21,326	21,791	40,925	39,535	67,679	88,360	66,852	68,308
Italy	-	-	-	-	-	-	60,022	48,986	31,185	49,184
Netherlands	-	24,060	13,375	16,493	17,330	15,859	-	33,547	38,885	31,206
EC	-	-	-	1,260	-	-	-	4,850	23,129	25,786
Spain	-	-	-	-	-	-	24,024	19,607	53,017	19,686
Sweden	-	1,892	1,115	2,385	4,931	12,663	18,360	18,588	21,108	9,219
Denmark	-	1,147	-	-	3,339	3,416	4,411	4,738	-	9,099
Germany	-	-	-	-	-	-	5,260	5,948	-	5,721
La Caixa	-	-	-	-	-	-	-	-	6,021	5,188
Australia	-	-	-	-	-	-	5,000	5,000	5,000	5,000
Ireland	-	-	511	624	650	831	7,902	8,311	3,841	2,076
Other Private GAVI Fund	20	-	1,630	2,581	1,805	473	1,904	1,335	517	1,812
South Africa	-	-	-	-	-	-	1,999	1,632	1,039	1,638
Luxembourg	-	-	-	-	-	645	1,319	812	1,423	1,191
Canada	-	-	1,880	4,755	6,033	130,869	5,190	-	-	-
* Total	329,483	518,087	107,885	116,995	164,173	429,735	740,454	786,895	623,504	740,788

Monies received by GAVI - Direct contributions + IFFIm to GFA transfers

	2000 Act	2001 Act	2002 Act	2003 Act	2004 Act	2005 Act	2006 Act	2007 Act	2008 Act	2009 Est
United Kingdom	1.4%	0.0%	13.9%	4.8%	11.3%	1.5%	38.0%	32.9%	21.5%	28.8%
France	0.0%	0.0%	0.0%	0.0%	3.7%	0.0%	25.2%	18.0%	14.5%	19.2%
United States	0.0%	9.3%	49.1%	49.6%	36.3%	15.0%	9.4%	8.8%	11.5%	10.1%
Bill & Melinda Gates Foundation	98.6%	82.0%	0.0%	3.0%	3.0%	35.9%	0.0%	9.5%	12.0%	10.1%
Norway	0.0%	3.5%	19.8%	18.6%	24.9%	9.2%	9.1%	11.2%	10.7%	9.2%
Italy	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.1%	6.2%	5.0%	6.6%
Netherlands	0.0%	4.6%	12.4%	14.1%	10.6%	3.7%	0.0%	4.3%	6.2%	4.2%
EC	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	0.6%	3.7%	3.5%
Spain	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	2.5%	8.5%	2.7%
Sweden	0.0%	0.4%	1.0%	2.0%	3.0%	2.9%	2.5%	2.4%	3.4%	1.2%
Denmark	0.0%	0.2%	0.0%	0.0%	2.0%	0.8%	0.6%	0.6%	0.0%	1.2%
Germany	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.8%	0.0%	0.8%
La Caixa	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.7%
Australia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.6%	0.8%	0.7%
Ireland	0.0%	0.0%	0.5%	0.5%	0.4%	0.2%	1.1%	1.1%	0.6%	0.3%
Other Private GAVI Fund	0.0%	0.0%	1.5%	2.2%	1.1%	0.1%	0.3%	0.2%	0.1%	0.2%
South Africa	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.2%	0.2%	0.2%
Luxembourg	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.1%	0.2%	0.2%
Canada	0.0%	0.0%	1.7%	4.1%	3.7%	30.5%	0.7%	0.0%	0.0%	0.0%

Notes

Contributions = direct donor contributions to GAVI + GFA funds received from IFFIm prorated to donors based on their total pledge as a % of total IFFIm pledges

No AMC monies have yet been received by GAVI even though Italy & Canada transfer monies to the World Bank for the AMC in 2009

Donor contributions to GAVI and World Bank (IFFIm + AMC)

\$ 000

	2000 Act	2001 Act	2002 Act	2003 Act	2004 Act	2005 Act	2006 Act	2007 Act	2008 Act	2009 Est
Italy	-	-	-	-	-	-	3,664	7,273	33,066	137,637
Canada	-	-	1,880	4,755	6,033	130,869	5,190	-	-	105,293
United States	-	48,092	53,000	58,000	59,640	64,480	69,300	69,300	71,913	75,000
Bill & Melinda Gates Foundation	325,000	425,000	-	3,500	5,000	154,338	-	75,000	75,000	75,000
Norway	-	17,895	21,326	21,791	40,925	39,535	70,163	91,341	70,633	71,198
France	-	-	-	-	6,029	-	12,630	24,661	52,430	55,822
United Kingdom	4,463	-	15,048	5,606	18,492	6,625	23,214	65,051	31,158	46,734
Netherlands	-	24,060	13,375	16,493	17,330	15,859	-	33,547	38,885	31,206
EC	-	-	-	1,260	-	-	-	4,850	23,129	25,786
Spain	-	-	-	-	-	-	11,559	11,743	52,266	11,500
Denmark	-	1,147	-	-	3,339	3,416	4,411	4,738	-	9,099
Sweden	-	1,892	1,115	2,385	4,931	12,663	14,594	17,957	21,604	8,577
Germany	-	-	-	-	-	-	5,260	5,948	-	5,721
La Caixa	-	-	-	-	-	-	-	-	6,021	5,188
Australia	-	-	-	-	-	-	5,000	5,000	5,000	5,000
Ireland	-	-	511	624	650	831	7,902	8,311	3,841	2,076
Other Private GAVI Fund	20	-	1,630	2,581	1,805	473	1,904	1,335	517	1,812
Luxembourg	-	-	-	-	-	645	1,319	812	1,423	1,191
South Africa	-	-	-	-	-	-	-	960	960	945
* Total	329,483	518,087	107,885	116,995	164,173	429,735	236,111	427,828	487,846	674,786

INFORMATION**Board and Executive Committee requests – Part 1: COMPLETED**

Meeting	Issue	Request	Comments
Mar09 Board	GAVI eligibility	Board requested a range of filters for country eligibility that retains GAVI's poverty focus and includes non-financial indicators.	Nov09 Board doc #06a
Mar09 Board	Risk management and programme prioritisation	Board requested a comprehensive analysis of potential lives saved and costs per life saved/disability averted across disease areas and countries.	Nov09 Board doc #06a and Nov09 Board doc #08
Jun09 Board	Harmonised health systems funding	HSS evaluation and tracking study should be included in the HSS paper for the GAVI's November Board meeting.	Nov09 Board doc #07
Jun09 Board	Resource mobilisation strategy	Board requested a concept note that explains the proposed resource mobilisation event in early 2010.	Distributed to Board in Jul09.
Jun09 Board	Risk management and programme prioritisation	Board requested the development of a framework for programme prioritisation and resource allocation for Nov09 Board.	Nov09 Board doc #08

INFORMATION

Board and Executive Committee requests – Part 1: <u>COMPLETED</u>			
Meeting	Issue	Request	Comments
Jun09 Board	2 nd GAVI evaluation	Board approved the terms of reference for the 2 nd evaluation of GAVI subject to the comments provided at the meeting and World Bank and UNICEF input	Call for proposals released on Jun 26 and a final selection in progress. Final report scheduled for mid-2010
Jun09 Board	GAVI evaluation advisory committee	Board approved the evaluation advisory committee charter and delegated to the Executive Committee the authority to choose the committee's chair and members.	Jun09 EC appointed 3 Board members and 4 independent members to the committee, and delegated the right to choose its Chair (Bernard Schwartlander)
Jun09 Board	GAVI Eligibility	PPC may consider providing an opportunity for country representatives to gain early insight into the discussions.	The Eligibility Task Team consulted with developing country representatives in August-September09.
Jun09 Board	H1N1- GAVI's role	Board recommended that the Secretariat and WHO define potential options for GAVI's role in H1N1.	The Sept09 EC agreed that GAVI does not have a role at this time.
Nov08 EC	Vaccine donation policy	Board requested a new or revised donation policy to be considered in 2009.	Nov09 Board doc #05
Apr09 EC	AMC offer agreement	EC authorised the CEO on behalf of the GAVI Alliance to enter into the relevant AMC transaction documents, upon the advice of legal counsel.	Documents signed in Jun09

INFORMATION**Board and Executive Committee requests – Part 1: COMPLETED**

Meeting	Issue	Request	Comments
Jul09 EC	GAVI cash balance	Requested the Secretariat to draft a paper for the Board which analyses and proposes how GAVI may maintain at least a US\$ 500 million cash balance over the next two years.	See Nov09 Board doc #3a.

INFORMATION**Board and Executive Committee requests – Part 2: ONGOING**

Meeting	Issue	Request	Current Status
Jun08 Board	Uganda	Board approved the continuation of cash support pending the satisfactory implementation of the terms of the Aide Memoire.	The FMA conducted in Jun09 was incomplete, and its completion is delayed by the recent suspension of the MoH Perm. Sec.
Oct08 Board	Vaccine investment strategy	Board agreed that the new vaccine implementation plan is to be discussed at Nov09 Board.	Next steps for implementation have been reviewed by the PPC, and Programme windows for each of the new vaccines to be prepared for Board approval in 2010 (in the context of available resources and the new strategy).
Oct08 Board	Meningitis and YF investment cases	Board agreed to consider future funding if financing is available.	Linked to programme prioritisation decisions-to be finalised by Jun10.
Mar09 Board	Future of performance-based funding	Board requested that the GAVI Secretariat and the PPC develop a proposal for Nov09 Board on GAVI and performance based funding, including potential proposals for performance based funding to replace or redesign ISS.	Performance based funding related to cash programmes will be reviewed in the context of the joint platform. A time limited task team has been convened to recommend strategies to make vaccine programmes more explicitly performance based.

INFORMATION**Board and Executive Committee requests – Part 2: ONGOING**

Meeting	Issue	Request	Current Status
Jun09 Board	Advocacy and communications strategy	Board requested: a more child-centred strategy with messages about innovation and cost effectiveness tied more directly to the ultimate goal of saving children’s lives; further definition of roles and responsibilities among Alliance partners and better coordination among them; plans to better leverage the advocacy and communications efforts and expertise of developing country voices and board members; that the Secretariat work more closely with CSOs; and that the addition of a tagline to the GAVI logo be considered.	(1) A comprehensive messaging framework is under development; (2) Advocacy & Communications Task Team has been created to better define Partner roles and responsibilities; (3) Concentrated efforts to involve CSOs further in advocacy work has begun; (4) Work with individual Board members and health ministers has been undertaken; and, (5) Potential taglines that explain the GAVI brand are being developed.
Jun09 Board	Resource mobilisation strategy	Board welcomed the Secretariat’s proposal to develop resource mobilisation “work plans” for each Board member.	Where feasible, individual work plans for Board members are being elaborated together.
Jun09 Board	Resource mobilisation strategy	Board recommended that GAVI should explore synergies with other global health initiatives and “lock in dates” for a resource mobilisation event in early 2010.	Awaiting confirmation from GFATM for final dates.
Jun 09 Board	UNFPA participation in Alliance Board	Board recommended that UNFPA participates in the Board by joining the delegation of one of the Board’s three multilaterals. The multilaterals were asked to provide a plan by the Nov09 Board.	To be discussed by Governance Committee.

INFORMATION**Board and Executive Committee requests – Part 2: ONGOING**

Meeting	Issue	Request	Current Status
Jun09 Board	Board turnover	Board recommended balancing continuity and turnover to keep the Board fresh without too much turnover at once.	Governance committee is monitoring this issue
Jun09 Board	Governance gender imbalance	Board recommends remaining focused on correcting the gender imbalance on the Board and Committees with future Board nominations.	Recruitment for the developing country, research/technical health institute and unaffiliated Board member seats actively seek female candidates (see Annex for gender statistics).
Jun09 Board	CSO update	Board requested an exploration of the reasons for low country demand for CSO 'type A' support. PPC delegated Secretariat to re-design and implement.	Redesign expected by end of 09.
Jun 09 Board	IFFIm update	Board authorised the CEO to execute documents/legal actions to replace the GAVI Alliance as party to the IFFIm Agreements.	Scheduled for Dec09.
Apr09 EC	Evaluation of IRC	EC requested a review the IRC process	Consultant selected and final report expected in 2010.

Gender balance on GAVI Governance entities, as of November 2009

Governance entity	Female	Male
Board members	4	23
Board Alternates	4	10
Executive Committee	1	8
Programme and Policy Committee	4	9
Governance Committee	1	8
Audit and Finance Committee	1	5
Investment Committee	1	2
Fundraising Committee	0	5
Evaluation Committee (board members + independent experts)	3	4

Vaccines and the world of child health

For those in developed countries the few vaccinations of our early years are a distant memory. It is easy to take for granted not only the invisible and longlasting protective veil that vaccinations draw against potentially fatal infectious diseases, but also the public health transformation wrought by vaccines and other interventions in the past century. Our enviable life expectancy and economic success both depend on them.

A welcome reminder is provided by the *State of the world's vaccines and immunization*, published in its third edition by WHO, UNICEF, and the World Bank on Oct 21. The report takes stock of what has been achieved by recent years' substantial investment in childhood vaccination in low-income and middle-income countries, especially, and of how future efforts might achieve the greatest benefit to health. In view of the abrupt financial crevasse that has dominated world leaders' thoughts and words in the past year or two, this could prove to be a timely stocktaking exercise for future vaccination programme funding.

Vaccine development has acquired a fresh dynamism at the start of the current century. New vaccines against rotavirus and papillomavirus, for example, have been developed energetically, proven in clinical trials, and are now available for population-scale use where funds permit. The report's final 50 pages discuss individual diseases alphabetically, from cholera to yellow fever, summarising for each the current global health situation and prospects for vaccination programmes. By focusing on certain individual diseases, such as polio, stirring aspirations of global eradication can be entertained; unfortunately, however, incomplete vaccination coverage has allowed poliovirus transmission to re-emerge in several regions recently, including northern Nigeria and Uttar Pradesh in India. Meanwhile, development of vaccines against suspected pandemic influenza strains will remain high on the agenda of rich countries for the foreseeable future.

Since the Global Immunization Vision and Strategy was published by WHO and UNICEF in 2005, individual countries' commitment to and planning of vaccination programmes has been supported by dedicated investment via the GAVI Alliance, totalling US\$2.7 billion by the end of 2008 (in 2007, low-income and lower-middle-income countries were on average able to fund about 33% of their vaccine costs). In developing

countries, it is now estimated that 2.5 million child deaths are prevented annually by WHO-recommended vaccinations against tuberculosis, diphtheria, tetanus, pertussis, polio, measles, hepatitis B, and *Haemophilus influenzae* b (Hib). The best guess is that measles deaths fell by 74% worldwide over 2000–07, but the difficulty of providing holistic protection for the most vulnerable is illustrated by the estimate that annual deaths under 5 years fell by a more modest 12% in the same period, from 10.5 to 9.2 million. Millennium Development Goal 4 obliges stakeholders to strive to reduce deaths in children under 5 years by two-thirds in the period 1990–2015: this corresponds to a target of about 4.3 million deaths. Yet it is striking that some 24 million children, most in the poorest countries, are not yet being fully protected by vaccination.

Turning to the future, pneumococcal disease and rotaviral diarrhoea are major killers of children under 5 years in low-income and middle-income countries, and over 2006–15 the GAVI Alliance's remit has expanded to include vaccines against these diseases. New financing methods in the form of the International Finance Facility for Immunisation and Advance Market Commitments have been developed to try to meet the financial strain. "This report is a call to action to governments and donors to sustain and increase funding for immunization" say Margaret Chan of WHO, Graeme Wheeler of the World Bank, and Ann Veneman of UNICEF; "The price of failure will be counted in children's lives".

Vaccination is one of the great triumphs of medicine. Harnessing the immune system to combat subtle and devious pathogens such as *Plasmodium* spp and HIV will continue to test the ingenuity of researchers and the patience of funding bodies for years to come. However, the *State of the world's vaccines and immunization* makes it very clear that the immediate challenge lies in the sincerity of donors' commitment to provide sustainable funding to extend vaccination coverage in the developing world, and in countries' resolve to overcome impediments of poor governance, geographic isolation, or conflict. It is thrilling that the technology exists to protect people against so many threatening diseases. But sustained and concerted effort will be needed to overcome the many practical barriers to saving children's lives in the developing world. ■ *The Lancet*



For the *State of the world's vaccines and immunization* report see <http://www.who.int/immunization/sowwi/en>

For more on under-5 mortality see [Comment Lancet](#) 2009; published online Sept 10, 2009. DOI:10.1016/S0140-6736(09)61601-9