



Report to the GAVI Alliance Board

16-17 November 2011

Subject:	GAVI business plan 2012
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Agenda item:	14
Category:	For Information
Strategic goal:	Affects all strategic goals

Section A: Overview

1. Purpose of the report

- 1.1 This document outlines enhancements in the business plan underlying the budget request for 2012.

2. Recommendations

- 2.1 The paper provides the programmatic framework for the budget submitted to the Board for approval (See paper 15).

3. Executive summary

- 3.1 The current submission is consistent with the 2011-2012 business plan submitted to the Board for review in November 2010. Although the programme objectives have remained consistent, there is however an increased emphasis in the areas outlined below.¹ This is largely due to the success of the Pledging Conference and significant upscaling of activities including the doubling of funds under management and significant increase in new vaccine introductions.
- (a) **Strengthening capacity to deliver:** GAVI needs to move from a one-size fits all to a more customized approach for the countries it supports. For this reason, WHO has requested additional funding to help countries introduce new vaccines and develop their national health plans as part of the Health Systems Funding Platform. The Secretariat will increase the number of Country Responsible Officers (CROs) to strengthen the stewardship of GAVI Alliance investments in-country, to better respond to individual country needs, to facilitate in-country coordination of Alliance partners and to conduct real-time monitoring and feedback to countries. Providing a customized approach will also require involvement of additional partners

¹ The budgetary implications of these four priorities are provided in Annex 1

(e.g. technical, development banks) to support countries graduating from GAVI support.

- (b) **Improving data quality, availability and monitoring:** With the success of the Pledging Conference and an increasing emphasis by donors on accountability and results (including results based financing), GAVI will place an increased focus on reviewing and validating coverage estimates, improving data quality and impact assessments, managing its support of special studies and surveillance, and exploring the use of innovative verification techniques (e.g. biomarkers).
- (c) **Shaping vaccine markets:** This is a new strategic goal for the Alliance and as such GAVI has developed an implementation plan to support the strategy going to the Board for approval in November 2012. The implementation plan includes creation of a market intelligence unit at the Secretariat, and creation of 'road maps' for GAVI vaccines describing the long term market ambitions for these products and the steps to reach them. WHO will be funded to support emerging vaccine suppliers in quality control; develop guidelines to ensure new products are appropriate for GAVI markets; and further reinforce National Regulatory Authorities (NRAs), particularly in vaccine producing countries
- (d) **Improving fiduciary control of cash based grants:** In a report to the Board in July 2011, GAVI's Internal Auditor reported GAVI's current grant monitoring capacity as a critical risk area for the Alliance. Particularly, he noted the need for additional Country Responsible Officers (CROs) at the Secretariat to take a greater stewardship role. This request was supported by the Board and as such, the 2012 business plan includes a significant increase in the number of CROs and additional resources dedicated to the Transparency and Accountability (TAP) team.

4. Context

- 4.1 In November 2010, the Board approved a 5-year strategy and a 2-year business plan. The budget for 2011 was approved and the one for 2012 was provisionally approved at the same level as 2011, with a request that the Secretariat would present a detailed budget for Board approval in November 2011².
- 4.2 The overall structure of the GAVI Alliance business plan, including the objectives and KPIs remain unchanged. However, some activities and associated resource allocations have changes based on the new developments, including the success of the resource mobilisation efforts in June and strengthened demand from countries for new vaccines, an increased focus on accountability, revised some targets and indicators, and the

² Resolution 5 of GAVI Board, Kigali meeting in November 2011. The request notes that the budget should be presented to the Executive Committee but given timing of the Board meeting, the budget is being presented to the full Board.

completion of the supply and procurement strategy to guide the implementation of the newly adopted market shaping goal. These changes are described in this paper.

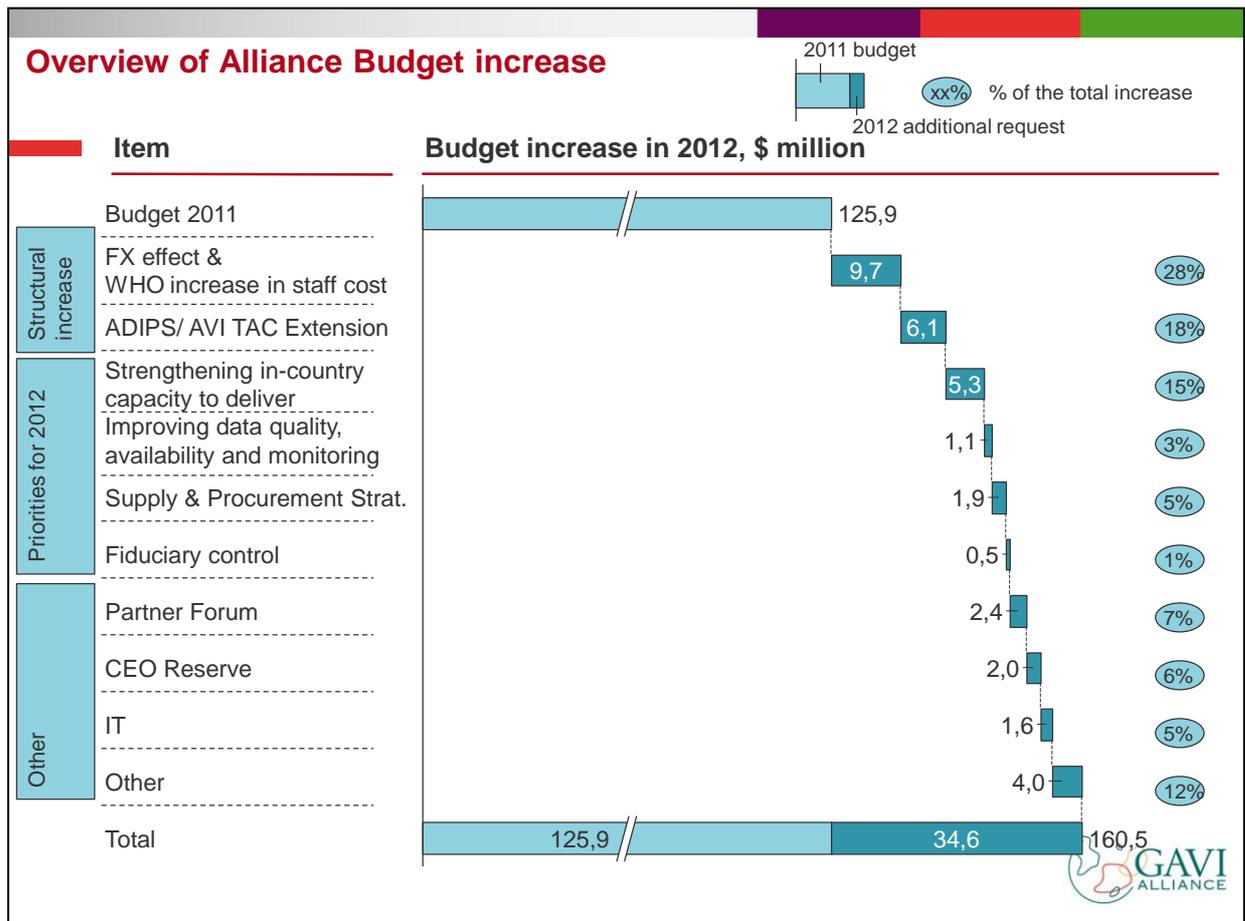
4.3 The process to update the business plan for 2012 was as follows:

- (a) In July 2011, the GAVI Interim CEO provided to all institutions funded through the business plan a list of priorities to be reflected in the 2012 business plan and budget.
- (b) The GAVI Secretariat organised workshops for each strategic goal with the institutions funded through the business plan. These workshops served to kick off the process, draw the lessons from 2011 activities and coordinate any proposed changes for 2012.
- (c) Each institution subsequently reviewed activities and associated budgets and submitted them to the Secretariat at the beginning of September. The Secretariat provided comments and proposed revisions, as appropriate.
- (d) The Secretariat budget was reviewed by the executive team and CEO.
- (e) The PPC held a discussion on 28-30 September 2011 concerning high level enhancements to business plan activity but at that point budget figures were not available. The Audit and Finance Committee performed a financial review during its session on 28 October, inviting PPC members to have the opportunity to comment on the budget for the enhancements in the business plan. Given the comments by PPC members present, the Audit and Finance Committee determined that it would be important for the full PPC to review the budget implications as well. The PPC thus met by teleconference on 2 November. During the discussion, a number of questions were raised. Major items are highlighted below and have been addressed in the paper.
 - Role of the Secretariat and the Alliance partners in implementing the business plan (See paragraph 6.1);
 - Funding levels of WHO and UNICEF (See paragraph 6.2);
 - CEO reserve (See paragraph 4.7 (c)); Note that the amount was reduced following the discussion.
 - Funding for research (See Annex 1, paragraph 1.1.3);
 - Reputation risk of growth in the business plan budget (See paragraph 8.2);
 - The implementation of the vaccine introductions and health system strengthening activities (See Annex 1, sections 13 and 14).
- (f) On 2 November the PPC concluded that it was generally comfortable with the priority areas and budget moving forward to the Audit and

Finance Committee for final financial review. They asked for an early sighting of the next budget process so that it had adequate time to provide detailed input. They also noted that the division of roles among partners be further clarified and that regular reporting on their activities come to the Board and its committees. In particular, they expressed the need to get more details on the implementation of the vaccine introductions and health system strengthening activities. The CEO agreed that he will regularly report back to the PPC and the Board on this matter as per the performance management framework, noting there are mechanisms in place to manage these activities where most partners are represented (e.g. AVI management team weekly meeting).

- (g) Following the endorsement by the PPC, the Audit and Finance Committee recommended the 2012 budget for approval.

4.4 The budgetary implications of these and other changes are described below and in more detail by programme objective in Annex 1.



4.5 Structural increase

- (a) The movement of the exchange rate between the Swiss Franc and the US Dollar impacts the Secretariat’s budget by \$7.3m due to the Secretariat’s exposure to the Swiss Franc (Geneva staff, office rental, and local services

and contractors). In addition, although WHO did not increase its number of staff funded through GAVI, the staff cost has increased by \$2.4m due to the movement of the exchange rate, the cost of living and the adjustment of staff grades. Cost of living increases have also been included for the Secretariat staff.

- (b) **ADIPs/ AVI TAC extension:** This corresponds to activities originally scheduled for years prior to 2011 that will now be completed in 2012. From an accounting perspective, these are “booked” based on the year when the activity will be conducted.

4.6 **Priorities for 2012.** These correspond to the four priorities outlined in the first section of this paper.

(a) **Strengthening in-country capacity to deliver**

- \$2.7m additional funding to WHO for technical assistance to countries for their vaccine introductions (30 introductions in 2012 as opposed to 21 in 2011) and the development of the GAVI applications (including for new vaccines and health systems).
- \$1.8m to increase the number of Country Responsible Officers (CROs) in the Secretariat. The CROs will conduct real time monitoring and feedback to countries; play a convening role in country; and strengthen in-country coordination of Alliance partners. In this way they will contribute to fiduciary control and programmatic monitoring.
- \$0.8m will be allocated to new partners (e.g. technical institutions and development banks) to enhance prospects for sustainability for countries graduating from GAVI support

(b) **Improving data quality, availability and monitoring:** \$1.1m additional has been added to the Secretariat budget to enhance proactive engagement in coverage estimates, data quality, impact assessment and use of innovative verification techniques (e.g. biomarkers).

(c) **Shaping vaccine markets:** \$0.9m will allow for the creation of a market intelligence unit in the Secretariat. In addition, \$1m has been allocated to WHO to support emerging suppliers with quality control; develop guidelines to ensure new products are appropriate for GAVI markets; and further reinforce the National Regulatory Authorities (NRAs).

(d) **Improving fiduciary control:** The Transparency and Accountability (TAP) team will increase its budget by \$0.5m. The increase in CROs will also contribute to strengthening the fiduciary oversight of cash grants and of vaccine related support.

4.7 **“Other”:** This section includes the following additional expenses:

- (a) **The Partners’ Forum** held every two years and due in 2012.

- (b) **IT infrastructure** to further strengthen the country portal, data centre, and to conduct necessary systems upgrades and enhancements.
- (c) **CEO reserve** to provide an envelope that may be allocated by the CEO to further strengthen capacity and skills focused on programme implementation activities. Given that the CEO has been in office for less than three months prior to compilation of these budget estimates, such capacity is of particular importance. This is intended as a one-time budget item and the PPC and the Board would be informed on the use of the funds during the year.
- (d) **Other activities**, including \$1m Management Adjustment (for further savings to be made within the budget of \$0.5 million in 2012, compared to US\$1.45 million in 2011); \$1.8m for different components in mission support including the increases in Executive Office costs, Human Resources, and Legal and Governance teams; and additional depreciation corresponding to the additional capital expenditure realised in 2012. Further, there is \$1.2m in additional funding for programmatic activities including an increase in requested funding for disease surveillance by WHO (\$0.5m) and additional amount allocated by the Secretariat to support the work of the Independent Review Committees (\$0.4m).

4.8 The business plan is intended to serve as a “living document”. As such the following provides a high level summary of activities in support of the strategic goals that have evolved over the course of 2011 and the resulting changes to 2012 activities. Further detail by programme objective is provided in Annex 1.

The Vaccine Goal (Strategic goal 1):

- (a) In 2011, GAVI supported vaccine introductions in 21 countries. In addition, 74 new applications were submitted for new vaccine introduction in the coming years (including 29 for PCV and 25 for rota), of which 50 were approved. There is a significant increase in the number of planned introductions in 2012. Further support for introduction of HPV and rubella vaccines that are being recommended to the Board for approval and supporting activities based on the recommended strategies have been reflected in the business plan (other Board papers will address these topics in more detail).
- (b) The Secretariat will increase staffing to strengthen partner coordination at global, regional and country levels, support implementation and development of a more customized “country by country approach.” This will include restructuring of the programme delivery team to ensure more dedicated staff time per country. This will enable CROs to fulfil their responsibility of stewardship of GAVI cash grants, including health systems and CSO grants, and vaccine delivery.
- (c) WHO have indicated that they are reluctant to continue to conduct pre-assessments of applications as they perceive a conflict of interest given

their role in working with countries to help prepare applications. Discussions are on-going to determine which institutions would be best placed to take over this activity.

4.9 The Health Systems Goal (Strategic goal 2):

- (a) In 2011, the Secretariat and partners focused on developing the new Health Systems Funding Platform (HSFP) for future Health System Strengthening grants. New processes (the common application form for joint application from countries to GAVI and the Global Fund to Fight AIDS, Tuberculosis and Malaria; and the request template for assessment of national health strategies) have been piloted with Vietnam, Ethiopia and Tanzania, including an assessment by a special IRC. In 2012, partners will finalise the design of the platform, including a newly proposed results-based component (to be presented to the Board in November). To support implementation of the platform, WHO will enhance technical assistance to countries to support the development of their national health strategies and their links to immunisation outcomes.
- (b) On financial management of cash grants, the Board requested the Secretariat to strengthen its efforts following the suspected misuse of funds in a number of GAVI-eligible countries in 2011³. This will include better monitoring of the countries by the Secretariat and therefore an increase of resources and staff in the Programme Delivery (PD) team (as noted under SG1, paragraph c) and the Transparency and Accountability Policy team (TAP).
- (c) In 2011, the Civil Society Organisations (CSO) constituency became an implementing partner of the business plan in line with PPC recommendations in the 2010 business planning process. The constituency will help local CSOs to better organise to participate in the policy dialogue relating to the development of country health strategies and preparation of HSFP proposals. Support for CSO implementation of this activity is expected to continue in 2012.

4.10 The Financing Goal (Strategic goal 3):

- (a) **Co-financing.** Work in 2011 focused on countries that were in default of their co-financing requirement in 2010 and on beginning to support countries that are graduating from GAVI support. Results so far are positive, as only one country remains in default for 2010 requirements, and as of June, half of the countries had already transferred funds to UNICEF Supply Division for the 2011 requirement. For 2012, additional

³ At its July 2011 meeting, the GAVI Alliance Board “requested the Secretariat to more actively engage CROs in the area of fiduciary risk, including, through more frequent visits to implementing countries; to engage in more frequent review and follow up of programme reporting through its CROs and the TAP Team” and through other specific measures.

focus and resources will be required to support graduating countries and recurrent defaulters

- (b) **Programme funding.** The main achievement of 2011 is the very positive result of the pledging conference, which saw 19 public and private donors pledge an additional \$4.3 billion for GAVI programmes for the period 2011-2015, more than doubling the resources of \$3.3 billion previously available for those years. The focus in 2012 will shift towards developing a long term financial and advocacy strategy; delivering the pledged funds through strengthened advocacy, visibility and multi-partisan support in priority donor countries; preparation for the 2013 Accountability Review; and outreach to new public and private donors to diversify the donor base. Also, the new matching fund mechanism will be rolled out in partnership with the UK Department for International Development (DfID) and the Bill & Melinda Gates Foundation.

4.11 The Market Shaping Goal (Strategic 4):

- (a) 2011 already saw significant progress on vaccine prices with seven manufacturers announcing either lower prices for pentavalent, rotavirus and HPV vaccines or the extension of GAVI prices to graduated countries for some vaccines. The Supply and Procurement Strategy has been finalised this year and will be submitted for approval to the Board in November.
- (b) To support this new strategy resources have been allocated in 2012 to create a market intelligence unit in the Secretariat (3 staff) to coordinate and facilitate activities by Alliance members, enhance market analysis and develop vaccine roadmaps.
- (c) Further, WHO will conduct activities at national level to support emerging suppliers with quality control and other issues, to develop guidelines to ensure new products are appropriate for GAVI markets, and to further support the National Regulatory Authorities (NRAs), particularly in vaccine producing countries

4.12 Cross cutting objectives:

- (a) **Advocacy and Communication:** After the success of the pledging conference, this work is geared toward building the momentum generated to strengthen visibility and advocacy networks globally, both in donor and GAVI countries; engaging in and leveraging the US immunisation summit, the Decade of Vaccines and other key policy events; and ensuring partner alignment, including at the Partners' Forum.
- (b) **Monitoring and Evaluation:** In support of implementation of the new strategy, the Secretariat developed and piloted a grant monitoring framework and data warehouse. The Secretariat also oversaw a series of

independent evaluations (IFFIm, GAVI Campaign, GAVI support to CSOs) as well as initiating the full country evaluations. 2012 will focus on reinforcing routine monitoring, implementing the full country evaluations, and piloting of the Data Quality Audit tool. Additional resources have been requested for exploring options for investments in innovation to improve the measurement of coverage (e.g. biomarkers), increasing focus on data quality and related estimates (coverage, projected impact) and conducting the evaluation studies previously requested by the Board.

- (c) **Policy:** A new cross-cutting objective has been added to the business plan to improving transparency, planning and budgeting for existing Alliance activities in this area that are largely the result of board and committee requests. In 2012, the Alliance will review co-financing incentives for graduating countries, the previously endorsed prioritisation mechanisms and vaccine introduction grants, a policy for fragile states and an environmental policy as requested by the US Government. The Secretariat will review the role of pre-qualification for self-procuring countries and guidelines for GAVI support following a donation by a vaccine manufacturer to a country, or previous introduction by a country, of vaccines supported by GAVI.

- 4.13 **Additional activities:** The 2012 business plan includes a provision for GAVI to conduct a Partners' Forum. It also includes funding for a reserve to allow the newly arrived CEO flexibility to target resources to strengthen Alliance capacity to achieve its mission.
- 4.14 **Business plan indicators:** Some of the targets in the strategy and business plan have been revised taking into account the latest coverage estimates provided by WHO for 2010. These new estimates are changing the baseline for some business plan indicators and necessitated a corresponding revision and recalibration of the targets for 2012. Further, pending approval of the supply and procurement strategy, an additional strategic goal indicator endorsed by the PPC and the Evaluation Advisory Committee will be adopted at strategic goal level to reflect security of supply. Further details are provided in Annex 2.
- 4.15 **Cross cutting objectives:** In the current revision of the business plan, a new cost center has been created to capture and make transparent policy development activities. Although these activities were conducted in 2011, they were allocated among the existing strategic goals. Because these affect a number of business areas (eg development of an environmental policy or fragile states policy), the Secretariat felt it more appropriate to describe as a cross cutting objective to reflect these ongoing activities.

Section B: Implications

5. Impact on countries

5.1 The business plan aims to support GAVI's work in countries and specifically the technical assistance provided by WHO and UNICEF on GAVI-related issues⁴.

5.2 The increase in Secretariat Country Responsible Officers will enable a more customised approach to countries, better coordination and convening of in-country partners, improved accountability and a more real-time response to country needs.

6. Impact on GAVI Stakeholders

6.1 Much of the increase in funding, in particular with regard to the Secretariat is geared toward improving dialogue and coordination amongst stakeholders, particularly at country level. Implementation will remain the mandate of WHO, UNICEF, and other partners. It does not involve locating Secretariat staff in country. If in the future it was envisioned that the Secretariat role would evolve in a significant way (e.g. establishing country presence), this would constitute a significant policy change and would need to be a decision taken by the Board.

6.2 WHO's budget will increase by 14% from 2011 to 2012. UNICEF Programme Division will also increase spending on GAVI Alliance activities but has chosen to fund these activities through its own core resources.

7. Impact on the Business plan / Budget / Programme financing

7.1 The detailed impact on the budget is presented in the accompanying budget paper.

8. Risk implications and mitigations

8.1 The business plan 2012 aims to address five key risks to GAVI Alliance programmes:

- (a) **In-Country capacity to deliver:** Tackled through increased technical assistance by GAVI Alliance partners.
- (b) **Capacity to monitor results:** Tackled through additional CROs to monitor country grants and exploration of innovative options to improve the measurement of coverage, impact and data quality.
- (c) **Misuse of funds:** Increase of resources for the PD and TAP teams.
- (d) **Predictability of funding:** Continued emphasis on fundraising, including advocacy and communications to support resource mobilisation efforts
- (e) **Sustainability:** Investment in market shaping activities through the implementation of the Supply and Procurement strategy. It also addresses additional technical assistance to countries graduating from GAVI support.

⁴ Some of this technical assistance by WHO and UNICEF is also self-funded or financed by other institutions

8.2 Lastly, the growth in GAVI's business plan budget could involve reputational risk given the current economic climate. However, while the programme cost (i.e. GAVI grants) will increase by 123% from 2010 to 2012, the increase in the business plan budget will be limited to 23% in that same period. This would decrease the business plan's portion of overall spending from 17% to 10%. Failure to deliver on promised results because the GAVI Alliance had failed to commit sufficient resources to support the increased activity necessary to achieve the results would be a greater risk

8.3 However with increased profile and renewed funding, GAVI must absolutely continue to ensure that all resources are used efficiently and effectively and to closely monitor perception issues in all areas of its work. GAVI must also make sure it maximises the advantages of the Alliance business model by drawing on the skills of all Alliance partners who are accountable for their contribution to the GAVI Alliance mission.

9. Legal or governance implications

9.1 Agreements will be signed with all implementing partners after the Board approves the budget for 2012 and quarterly deliverables will be defined to reflect the priorities for 2012.

10. Consultation

10.1 The process that took place in 2010 to build the 2011-2012 business plan was highly participatory with expert working groups convened for each programme objective as well as an Independent Advisory Group which reviewed the proposed plan and recommended amendments.

10.2 As described in Section A, all implementing institutions receiving funding were integral parts of the process to update the 2012 plans and budgets.

11. Gender implications / issues

11.1 Activities related to gender are included in each strategic goal and cross cutting area. A report on implementation of the gender policy in 2011 will be submitted for the November 2011 Board meeting.

12. Implications for the Secretariat

12.1 The GAVI Alliance now has a raised visibility, and expectations from its donors are heightened. It is entering a new phase and more than doubling the level of its programmatic activities from 2011 to 2012 (i.e. \$0.7 billion in 2011 to \$1.4 billion in 2012). The Secretariat must therefore ensure it has the appropriate skills and resources to manage the Alliance business and deliver on the commitments made at the pledging meeting in June 2011.

Annex 1: Evolution of activities, by programme objective

This annex provides additional detail regarding enhancements of activities from 2011 to 2012, to achieve programme objectives.

13. The Vaccine Goal (Strategic goal 1)

1.1.1 Improve country decision-making structures, systems and processes.

The key activities to support this programme objective have remained the same and include developing recommendations and guidance on new vaccines, supporting large countries, and sharing information and experiences across countries. Additional resource requests in this area focus on improving guidance on storage and transport, assisting countries to implement HPV and rubella vaccines, and enhancing National Regulatory Authorities capacity in vaccine producing countries.⁵

1.1.2: Ensure availability and use of high quality programmatic and epidemiological data. The Secretariat has requested additional funding to explore innovative options to improve data quality. WHO and UNICEF will continue to focus on the Joint Reporting Form and the support to countries to improve their administrative data. Of note, WHO has reduced its funding request in this area because of contributions from other donors for this activity.

1.1.3: Improve scientific knowledge, and raise awareness amongst stakeholders. There are ongoing studies funded by GAVI that will continue to be conducted during 2012. At this point, no new funds have been allocated for new contributions to the evidence-base or other technical studies. The AVI TAC Special Studies team has begun to identify critical gaps in the evidence base and generate a strategic research plan through 2016. As follow up, the Secretariat will present options to the PPC and the Board in 2012 on critical research areas for funding.

1.2.1: Improve the quality of country planning, GAVI applications and performance reporting. The current plan includes three rounds of IRC reviews for New Vaccine Support (review of replies for conditional approval in January; and new round of applications in March and in October/November) and a rolling application review for HSFP funding. WHO will no longer conduct pre-assessments of applications and annual progress reports. A line has therefore been added in the business plan for pre-assessment activity, and discussions are on-going to decide which institution should carry this out.

1.2.2: Prepare countries for successful introductions of new and underused vaccines. Given the high number of expected introductions, resourcing to WHO for activities will increase to support training of health care workers, cold chain and vaccine assessments and management, and post-introduction evaluations. Estimated spending for yellow fever support has been decreased as the number of countries requiring support is decreasing, while the support to Meningitis A campaigns has increased.

⁵ GAVI's support in the area of NRA strengthening will complement a grant to WHO from the Bill & Melinda Gates foundation focusing on India and China.

1.2.3: Meet established quality indicators for surveillance of diseases preventable by new and underused vaccines. Financing of surveillance activities was intended to gradually transfer from WHO to countries. However, WHO does not anticipate that this will happen in the next 3-5 years. Although steps are being taken to ensure costs are included in national cMYPs, participating GAVI countries are not yet contributing significantly to funding sentinel surveillance systems. For this reason, WHO anticipates that GAVI support to procure supplies, maintain the global and regional reference laboratories, maintain quality control of surveillance and to provide technical assistance for addressing gaps in surveillance quality will be required over the upcoming years. Funding requested by WHO for surveillance has slightly increased from 2011 in the areas of support to countries for post-marketing surveillance, vaccines safety crisis management, and updating and disseminating best practices.

1.2.4: Strengthen national capacity for planning of behaviour change communication for new and underused vaccines within a country's disease control framework. UNICEF will continue to support countries develop behaviour change communication plans on pneumonia and diarrhoea, specifically at the time of introduction of pneumococcal and rotavirus vaccines. The funding will remain flat as UNICEF has stated that it wishes to increase its own resources in immunisation activities.

14. The Health Systems Goal (Strategic goal 2)

2.1.1: Ensure that constraints to immunisation and service delivery are identified and adequately addressed in National Health System policy and planning process. As the Health System Funding Platform is rolled out, additional funding (\$0.9m) has been requested by WHO to provide technical assistance to countries. This activity has been restructured around the following three areas:

- (a) Supporting countries to develop their national health plan with clear links to immunisation outcomes, and applying for GAVI funding through the request template⁶
- (b) Assisting countries in the development of their GAVI application using the common Global Fund/GAVI form.
- (c) Monitoring implementation and supporting reprogramming of the existing HSS grants.

Further, funding for country support to develop M&E frameworks for national health plans will slightly increase, in line with the workplan and budget developed jointly with GAVI, the Global Fund and WHO.

2.1.2: Align GAVI funding with country planning and budgeting cycles and improve financial management oversight of cash grants. The Secretariat will focus on finalising the pilot and rolling out the HSFP platform, developing and implementing a performance based component (pending approval of the proposal by

⁶ It is recognised amongst partners that technical assistance for countries to develop their national health plan should not be the sole responsibility of GAVI, but will be partly funded by GAVI in 2012 as the HSFP is still in a pilot phase and will rely heavily on the completion of these plans.

the Board), enhancing communication with countries. The proposed increase in CROs will also enable the Secretariat to better respond to country needs, strengthen in-country coordination of Alliance partners and conduct real-time monitoring and feedback to countries. Finally, in support of this programme objective, the Secretariat will also expand the Transparency and Accountability (TAP) team, as per the July 2011 Board's approval of the proposed measures to further strengthen the oversight of cash-support programmes.

2.2.1: Increase coverage and equity (including geographical, social strata) of routine immunisation in countries with DTP3 coverage of less than 70%.

WHO will continue to provide technical assistance to countries with inequalities, targeting countries with low coverage. UNICEF will also increase its activities in this area, but will use its own resources to do so.

2.3.1: Ensure active engagement of CSOs in the Health Systems Funding Platform, Health Sector Coordination Committees (HSCCs) and Inter-Agency Coordinating Committees (ICCs). The Secretariat will continue to support improved CSO engagement in GAVI programmes, including through workshops and country visits by CSO partners.

15. The Financing Goal (Strategic Goal 3)

Co-financing

3.1.1: Integrate immunisation plans budgets into national programming and budgeting frameworks; 3.1.2: Implement the co-financing policy; 3.1.3: Support graduating countries in sustaining investment in immunisation. The focus for next year will be given to enhancing technical support to graduating countries and recurrent defaulters. Additional funds are therefore requested to support enhanced technical support to graduating countries and recurrent defaulters. This will be done through recruitment of new partners such as technical agencies and development banks. Of note, WHO has slightly reduced its budget in this area representing a shift in activities and staffing.

Programme funding

3.2.1: Expand and extend direct donor commitment; 3.2.2. Diversify donor base Given the success of the pledging conference, the main focus will be on the development of a long term financial and advocacy strategy, the delivery of funds committed in 2011; preparing for the 2013 Accountability Review and securing a diversified donor base for 2014. In order to achieve these objectives, GAVI will increase activities in donor countries through consulting support, including with donor agencies and parliamentarians and in building advocacy coalitions and strengthening GAVI visibility. The programme funding team will strengthen its capacity to engage high-level relationship in new markets, create focal points to address key emerging themes, and update systems and planning tools to manage a growing donor base and related requests (audits, multilateral reviews, multi-year pledges management). Of note, the budget in support of these programme activities has not increased from 2011.

3.3.1 Grow and develop GAVI's innovative finance product portfolio: The focus for 2012 will be to grow and manage IFFIm; to grow the recently launched GAVI Matching Fund for Immunisation; and to continue to develop new products and mechanisms. In terms of resources, the Innovative Finance team will strengthen the team focused to deliver on the GAVI Matching Fund, in part through leveraging resources of the partners on this project (Dfid, BMGF).

16. The Market-Shaping Goal (Strategic Goal 4)

4.1.1 Strategically forecast the supply and demand for all vaccines in GAVI portfolio: GAVI currently produces forecasts for all vaccines in the portfolio, including the new vaccines on a biannual basis. Supply forecasts are produced once per year. In 2012, forecasting activities will be expanded to include Lower-Middle Income Country (LMICs) scenarios.

4.1.2 Ensure efficient and effective vaccine procurement and supply chain management: UNICEF Supply Division and PAHO will continue to be GAVI's procurement agents in 2012 as governed by the existing MOUs. Of note, the fee that PAHO charges for procurement has increased from 3.0 to 3.5 percent of the total value procured, per a decision by its directing council. UNICEF fees are based on 1.7 percent of value procured.

4.1.3 Develop instruments for lowering price to GAVI and countries and/ or encouraging development of appropriate products: To support the Supply and Procurement Strategy, GAVI will design and implement vaccine roadmaps, implement new procurement strategies and continue to support graduating countries in achieving affordable prices upon graduation. Some funding has also been allocated to engage with CSOs on advocacy for lowering prices.

WHO will also increase its efforts in the area, specifically focusing on NRA capacity, quality, product suitability, norms and standards, and technical guidance to facilitate the development of second generation vaccines.

17. Cross-Cutting Goal: Advocacy and Communication

AC1.1.1 The value of immunisation, new vaccines, and GAVI is understood amongst key influencers and stakeholders.

AC 1.1.2 Mobilised and empowered advocates inform GAVI's policies, support fundraising and help achieve its strategic goals

AC 1.1.3 Increased influence in development aid policy settings

Although the budget in this area will stay at the same level as in 2011, the focus in 2012 will be to position GAVI as a centre of excellence and hub for vaccines and immunisation in developing countries; strengthen its visibility and advocacy networks globally and in donor and GAVI countries; enhancing GAVI's visibility and strengthen the brand, actively engage in the US immunisation summit, the Decade of Vaccines

and other key policy events and processes; and ensure alignment with partners with a successful Partners' Forum. The Secretariat will also further develop the evidenced-based case for investment, to consider broader health and economic impact, and support the political will for funding and co-financing, globally and locally.

18. Cross-Cutting Goal: Monitoring and Evaluation

ME 1.1.1 Ensure effective routine programme monitoring that links decision-making to performance

A similar level of resources will be dedicated to the data warehouse, reporting system and the development of the Data Quality Audit tool. The grant monitoring framework will be rolled out following the 2011 pilot, and resources have been added for increasing GAVI engagement in estimating coverage, assessing impact and improving data quality, including exploring the use of innovative verification techniques (e.g. biomarkers).

ME 1.1.2 Coordinate and conduct targeted studies to address key questions and meet critical information needs

In 2012, the Secretariat will commission a number of evaluations requested by the Board including an AMC process and design evaluation, an evaluation of the gender policy, and a final report on GAVI support to China. The Secretariat is also developing a proposal on options for support for research moving forward.

M.E 1.1.3 Conduct full country evaluations to evaluate the impact and cost-effectiveness of GAVI support to countries

Bidder selection is underway and the contract for this activity will be awarded in early 2012.

19 Cross Cutting Goal: Policy development

This cross cutting goal is new in the business plan 2012 and aims to increase transparency to reflect the activities for reviewing and updating existing policies as well as in developing new policies and programmes. Current requests for 2012 from the Board, PPC and donors include:

- (a) Review of the vaccine introduction grant policy;
- (b) Development of an environmental policy⁷;
- (c) Review of the prioritisation mechanism;
- (d) Review of the role of prequalification for self-procuring countries;
- (e) GAVI vaccine support for countries that have already introduced a vaccine via a donation;
- (f) Design of GAVI's strategy towards fragile states.

⁷ This policy has been requested by USAID and should be completed by end 2012.

Annex 2 – Changes in the business plan indicators

1- Revision of target for coverage-related indicators

In July 2011, WHO and UNICEF published the 2010 coverage estimates. These estimates were revised upwards. As such, the GAVI targets for the period of the strategy also need to be revised accordingly. The new targets were defined using the same absolute change in percentage points, however starting from a revised baseline, as follows:

Type of indicator	Indicator	Initial baseline	New baseline	Initial target 2015	Proposed new target 2015
Mission	Under five mortality rate	100	97	90	87
SG2	Drop-out rate	11	8	9	6
SG2	DTP3 coverage	73%	78%	79%	84
SG2	Equity in immunization coverage	49%	51%	60%	62%
SG3	Country investment in vaccines per child	\$2.38	\$3.79	\$3.00	TBD⁸

2- New market shaping indicator on supply security

With the development and adoption of the new supply and procurement strategy, a new indicator is proposed to measure progress in market shaping (SG4) and track the security of supply, namely: the number of products offered as a percentage of a five year target. The exact definition of the indicator is the number of GAVI-supported presentations for which offers have been submitted in response to tenders (expressed as a percentage of target number of offers for 2015). Several offers made in one year for the same presentation by the same manufacturer will not be double counted. The source of data will be the procurement partners. This indicator has been recommended for consideration by the Evaluation Advisory Committee.

3- Programme Funding

Following the success of the pledging conference, targets under GAVI's financing goal are under review and may be brought to the Board for discussion in 2012.

⁸ New target will be aligned with the ones being defined for the Decade of Vaccines initiative. It will be defined before the end of the year based on new analytical work.