

GAVI Alliance Programme and Policy Committee Meeting

18-19 May 2010

Geneva, Switzerland

Final Minutes

Finding a quorum of members present¹, the meeting commenced at 9.12 Geneva time. The Programme and Policy Committee Chair Gustavo Gonzalez-Canali expressed his vision to integrate the Committee's technical discussions with a strategic perspective to ensure Committee deliberations continue to be evidence based, but accessible to a wider cross section of people. He asked committee members to reflect on this issue and that of roles and responsibilities of the committee.

The Chair welcomed Anne Schuchat, board representative for Research and Technical Health Institutes, to her first in-person Committee meeting.

The Committee reviewed the minutes of its meeting on 17-18 February, 29 March and 16 April 2010 (Doc #1 in the committee pack).

DECISION

The GAVI Alliance Programme and Policy Committee:

Approved the minutes from 17-18 February, 29 March and 16 April 2010.

1 Update from the Secretariat

Nina Schwalbe, Managing Director, Policy and Performance provided a summary of key activities completed since the prior meeting and updated the Committee on priorities/plans for the rest of 2010. She detailed Board-level committee meetings, upcoming events, ongoing evaluations, and other key events for the information of the Committee. Discussion including the following:

- The Evaluation Advisory Committee is actively providing guidance, advice and input to the GAVI Phase 2 evaluation team. They are also spearheading the development of the Terms of Reference (TOR's) for the IFFIm evaluation. It is hoped that the evaluation team will include a partner from a developing country.
- New AMC agreements have been signed. Provisional agreements were made with Pfizer and full agreements with GSK. 13 Applications have already been approved and will be supported through the AMC.

¹ Participants are listed in Attachment A.

- The Civil Society Organisation (CSO) constituency met on 29-30 March and among other issues discussed the re-design of the CSO window of GAVI support, broader engagement of CSO's from developing and developed countries and increased board representation
- The Board telephone meeting in April resulted in an approval to move forward with the Health Systems Funding Platform (HSFP) , specifically planning implementation with pilot countries. The Board also agreed to exceptionally approve funding for the Nepal's Health Systems Strengthening application as because of governmental procedures in Nepal any further delay in June would delay Nepal funding for a further year.)
- Work on access to pricing for graduated countries would commence pending definition of the strategy and completion of a study by WHO and the Bill & Melinda Gates foundation.
- Following the discussions at the retreat in May and consultation with the audit and finance committee, GAVI will move forward with the creation of a risk register. Committee members suggested that programmatic risk also be reviewed by the PPC.

2 Strategy Development

Helen Evans, Deputy CEO, reviewed activity undertaken by the Secretariat since the Committee's last meeting including how the Committee's guidance had been incorporated and the results of further consultations with GAVI's stakeholders. Subsequently, the Secretariat requested further guidance from the PPC on the indicators and targets of the strategy (Doc #2). Discussion ensued.

With regard to KPIs:

- Further definition of indicators and targets was recommended:
 - Targets should strike a balance between being aspirational and achievable.
 - Narrative text should be added for each indicator to clarify what it is measuring and the rationale for inclusion.
 - Numbers should be replaced with percentages, as appropriate.
 - KPIs may need to be modified after strategic goals are modified and depending on data availability.
 - KPI's must recognise different needs and audiences (policy vs. advocacy), the need for simplicity and should drive business planning.
 - The Committee's consensus was that all GAVI funded vaccines (as opposed to "tracer" vaccines pneumo, rota and penta) should be used to monitor the full range of vaccines through KPIs. However, these did not all need to be included in high level reporting.
- The Secretariat conveyed that additional work on the KPIs and targets would take place prior to the June Board and will be carried out in coordination with

specific currently operating task teams and groups (ie, AVI, financing task team, Health Systems Strengthening, etc)

3 Advance Market Commitment (AMC)

Tania Cernuschi, Senior Manager, AMC Policy and Performance provided an update on the status of the Pneumococcal AMC. The board decision to postpone approval of the October Independent Review Committee (IRC) recommendations and approve new eligibility/graduation policies impacts the Strategic Demand Forecast (SDFs) for pneumococcal vaccines. Consequently, if only GAVI Eligible Countries are considered, the AMC target demand of 200 million doses would not be reached and the potential of the Pneumococcal AMC would not be fully exploited. The Committee was asked to consider a proposal on India and two options regarding access to the AMC terms for graduated countries. Discussion followed:

- The industry representative stated that she is legally proscribed from expressing a joint industry position, and ask that manufacturers should be consulted on this issue bilaterally, in particular signatories of the contractual AMC agreements. Nevertheless, she noted that industry is pleased with the effort to maintain close alignment with the target demand noting that the issue of affordability/sustainability requires attention.
- The committee acknowledged that none of the options proposed carried an additional financial obligation for GAVI.
- The committee favoured the option of allowing all currently GAVI Eligible Countries (2003 definition) to procure vaccines under the AMC supply agreements and have access to AMC funding in order to maximise the number of children vaccinated.
 - This option “grandfathers” current GAVI eligible countries into the AMC allowing them to have access to AMC funding, provided they have a DTP3 coverage above 70% and can self-fund the cost of the vaccine up to the tail price.
 - The importance of clear communication to countries on this issue was noted as a high priority. Further, the PPC asked the secretariat to monitor the issue of affordability of pneumo vaccines to graduated countries as well as the potential for co-financing default.
- With regard to India, the Committee noted that there was no single “India” where immunisation was concerned- its size makes vaccine programme management complex. It was noted that introduction of pneumo for India cannot be taken for granted and Indian adoption needs to be carefully monitored.
- Recognising the GAVI cap for India, the committee supported a “pass through” of AMC funds for India per the original intention in the AMC design.

- The PPC stressed the importance of consulting with industry prior the board meeting in June.
- One member raised the issue of access to PCV-10 and recommended that the supplier be contacted by UNICEF (as the procurement agency) on the availability of the 1 dose vial presentation for GAVI eligible countries.

DECISION

The GAVI Alliance Programme and Policy Committee:

- 3.1. Recommended to the Board that it endorse the pass through of AMC funding through the GAVI Alliance for purchase of pneumococcal vaccines for India.
- 3.2. Recommended to the Board that it endorse that the AMC deal grandfather eligibility to include all currently eligible countries (2003 definition). These countries will be able to access pneumo vaccines through GAVI at the AMC terms and conditions and have access to AMC funding. However, graduated countries will need to completely self finance the vaccine price (tail price) once GAVI support has ended. Also, all countries must have achieved the DTP3 coverage above 70% in order to purchase under AMC agreements and access to the AMC deal should take place within a reasonable length of time after graduation.

4 Development of a Pilot Prioritisation Mechanism

Rama Lakshminarayanan, World Bank representative on the PPC chaired the task team and this part of the agenda. Gian Gandhi, Head, Policy Development, Policy and Performance and Rama updated the Committee on the work of the Prioritisation Task Team (PTT) to develop a system that ranks IRC-recommended country proposals for New Vaccine Support (NVS) and cash-based programmes and informs the prioritisation of vaccines within GAVI's portfolio. Discussion followed:

- To make a pilot operational, the PTT recommends that GAVI define the shares of funding available for NVS and cash-based programmes and consider budget caps for NVS proposals. Similarly, the interaction between prioritisation and funding constraints must be managed well.
- The pilot mechanism would apply for two proposal rounds (where the first round is the October 2009 applications).
- Noting that the timing of the subsequent round has yet to be confirmed, GAVI will need to communicate in a clear and consistent manner regarding the timing of the next application round.
- Appropriate applications for epidemic vaccines will need to be developed.

- As part of the overall prioritisation process but beyond the prioritisation mechanism per se, the Committee discussed the risks and benefits associated with announcing funding available before calling for applications. It was explained that knowing the scope of the funding envelope might help partners advise countries proactively and help focus technical assistance. However, such an announcement may also dampen demand depending on how it is communicated. This could possibly discourage donors' willingness to increase contributions to GAVI.
- The Committee also noted that prioritisation of proposals within a specific funding envelope could result in (a) challenges for funding of larger countries; and (b) possibility that countries close to graduation may not be high on the ranking given the criteria being used. Further, it was important that the Board understood this.
- The Committee also noted that the Secretariat will need to clearly communicate on prioritisation and resulting decision making to countries and Alliance stakeholders.

DECISION

The GAVI Alliance Programme and Policy Committee:

- 4.1. Recommended to the Board that it endorse the introduction of a pilot mechanism over two application rounds (the first being the October 2009 IRC proposals).
- 4.2. Recommended to the Board that it endorse making this pilot mechanism operational by having GAVI:
 - 4.2.1. Define relative shares of funding for (i) the NVS window and (ii) cash-based programmes
 - 4.2.2. Define budget caps (e.g. minimum amounts of funding which can be committed per proposal) for NVS if appropriate
 - 4.2.3. Adopt the rule that proposals which aren't funded in a particular application round should be ranked again in the next round. If they are still unfunded in this second round, countries should be asked to reapply.
- 4.3. Recommended to the Board that it endorse using the following objectives to direct the prioritisation mechanism:
 - 4.3.1. Maximising health impact and value for money
 - 4.3.2. Reinforcing financial sustainability of immunisation programmes
 - 4.3.3. Supporting countries with the greatest need
 - 4.3.4. Ensuring country readiness (introduced after the pilot phase and in a subsequent iteration of the mechanism)

- 4.3.5. Equitable distribution of GAVI's resources among countries (as accorded by a maximum of one NVS proposal per round)
- 4.4. Recommended to the Board that it endorse using the following indicators in an index to rank IRC-recommended NVS proposals:
 - 4.4.1. Deaths averted (as a proxy for "health impact")
 - 4.4.2. Cost per death averted (as a proxy for "value for money")
 - 4.4.3. Health share of government expenditure (as a proxy for "financial sustainability")
 - 4.4.4. Gross national income per capita (as a proxy for "need")
 - 4.4.5. A maximum of one NVS proposal per country can be approved per application round (as a proxy for "equity among countries" applied as a rule rather than an input to the index)
- 4.5. Recommended to the Board that it endorse using the following indicators in an index to rank IRC-recommended cash-based proposals:
 - 4.5.1. Under-five mortality ("overall health burden") and DTP3 coverage ("system weakness") which together serve as a proxy for "need"
 - 4.5.2. Health share of government expenditure ("commitment to financial sustainability")
- 4.6. Recommended to the Board that it endorse using the following approach toward GAVI's vaccine portfolio:
 - 4.6.1. During the pilot, funding decisions should support country priorities and be determined by the proposal prioritisation mechanism above for HepB and Hib- containing vaccines, yellow fever routine vaccines, measles 2nd dose, pneumo, rota, and, also meningitis A catch-up and yellow fever preventive campaigns.
 - 4.6.2. The centrally administered Yellow Fever emergency stockpile should remain a priority for 2011-2013, given its potential impact and low cost.
 - 4.6.3. The Alliance continue preparatory activities for the four 'new' vaccines (HPV, JE, rubella and typhoid) and only open new applications windows following the pilot period of the proposed prioritisation mechanism and the definition of the 2011-2015 GAVI Strategy, and subject to funding availability.

5 Co-Financing

Santiago Cornejo, Senior Programme Manager, Programme Delivery updated the Committee on the work of the Co-financing Task Team (CTT) convened to revise GAVI's co-financing and default policies. Based on consultations and analyses to

date, the CTT has proposed revised objectives and principles to direct and govern the new co-financing policy for PPC endorsement. Discussion followed:

- Current co-financing levels emphasise encouraging country ownership of new vaccines over attaining financial sustainability. A revised policy will need to take account of both elements.
 - Co-financing also implies a contract with donors to sufficiently finance over a sufficiently long period of time to sustain vaccine implementation.
 - Co-financing also introduces an element of complexity, and the Committee should examine risk management strategies.
- The Committee's consensus was that all countries should co-finance, and that the co-financing level should be linked to price. They recognised that this may be difficult for the poorest countries and endorsed a tiered-approach. While all countries should co-finance, GAVI should not interrupt an ongoing immunisation programme.
- The Committee raised several points about imminent graduates:
 - The emphasis of the policy should be on supporting the 14 countries expected to graduate in 2011 and supporting their financial independence by 2016
 - Partners need to examine their efforts at the country level in terms of advocacy and reinforcing "sustainability" over "simplicity"
 - Expectations and communications will have to be appropriately managed. The Secretariat has engaged in several country consultations, but will follow-up with focus groups of different stakeholders to explain all the details
 - Expectations should also be managed with regards to a default policy for graduates, and the systems costs that countries will have to bear
- In order to allow adequate time to communicate policy, by December, the Board will need to provide guidance on the levels. Starting in January 2011, countries should then be given 12 months to implement new policy.

DECISION

The GAVI Alliance Programme and Policy Committee:

- 5.1. Recommended to the Board that it endorse the following overarching co-financing objective: "To put countries on a trajectory towards financial sustainability in order to prepare them for phasing out of GAVI support for new vaccines while recognising that the time frame for attaining financial sustainability will vary across countries."
- 5.2. Recommended to the Board that it endorse the following intermediate co-financing objective: "To enhance country ownership of vaccine financing"

- 5.3. Recommended to the Board that it confirm its endorsement of the following working definition of financial sustainability, originally approved by the Board in 2001: “Although self-sufficiency is the ultimate goal, in the nearer term sustainable financing is the ability of a country to mobilise and efficiently use domestic and supplementary external resources on a reliable basis to achieve current and future target levels of immunisation performance.”
- 5.4. Recommended to the Board that it endorse the following principles:
- 5.4.1. To be transparent, fair, and feasible to implement
 - 5.4.2. To build on existing systems and processes
 - 5.4.3. To require all countries to contribute to new vaccine support
 - 5.4.4. To ensure that country co-financing of new vaccines represents new and additional financing and does not displace financing from other vaccines
- To provide countries with a long term planning horizon.

6 Performance Based Funding

Peter Hansen, Head, Monitoring & Evaluation, Policy and Performance updated the Committee on the activities of the Performance Based Financing Task Team. This task team assists with the development of policy options to make GAVI support more explicitly performance based. The task team has developed three complementary approaches and the Secretariat now requests the PPC's feedback on the relative merits of the policy options and their guidance on the next steps for those options that warrant further development over the course of 2010. Discussion followed:

- The PPC welcomed the paper put forward and agreed that innovation around performance management was critical to GAVI's ability to deliver on its mission.
- A challenge with any of the options proposed is the balance of simplicity and accountability.
 - GAVI should not overload countries with operational requirements
 - GAVI must address whether it wants to get into the micromanagement of immunisation services? Is this the best way for GAVI to show value for money? Is there potential to collaborate with the Global Fund or other players in the space?
- With regard to CSOs – as reflected at the board retreat – engagement of CSOs is critical. GAVI should review the role of PBF and support of innovation as part of the redesign of the window and should ensure that that this is explicitly part of the work on the joint platform.
- The benefits of modifying the ISS and purpose incentives are clear, but more work needs to be done in linking these changes with other Results Based Financing (RBF) efforts
 - While incentives can have good results, we do not want to distort the operational picture at country level or set up parallel efforts.

- The issue of independent verification must be addressed, as should the issue of developing IRIS so that it informs the HSFP and its incentives.
- The dimensions between the Incentives for Routine Immunisation Systems Strengthening (IRIS) and CSO divisions (for example) must be clearly defined to set appropriate management expectations for cash based support.
- Clear communication about how HSS fits together with “next generation” ISS and other performance based instruments will be important.
- In thinking about cash based incentives – GAVI needs to be realistic about monies available, and examine what could be done under HSFP especially in terms of immunisation specific inputs. In summary, the committee provided the following guidance:
 - GAVI should pursue development of IRIS with a focus on countries which have performance of less than 70 percent of DTP3 coverage.
 - As a secondary priority GAVI should pursue development of a program focusing on supply chain and vaccine management. This option could be explored with the work on the joint platform, given that it is very much a part of health system strengthening.
 - With regard to CSOs – as reflected at the board retreat – engagement of CSOs is critical. GAVI should review the role of PBF and support of innovation as part of the redesign of the window and should ensure that that this is explicitly integrated into the joint platform. Further, it was suggested that GAVI should reviewing lessons learned on small grants programmes.
 - In the next paper to the PPC, the secretariat should:
 - Address transaction costs
 - Put forward the links with other efforts around performance based funding.
 - Explain proposed management of the initiative

7 IRC Review

Mercy Ahun, Managing Director, Programme Delivery presented to the Committee the report, recommendations, and a Secretariat management response to a review of the Independent Review Committee (IRC) process. The evaluation identified five “strategic issues” that were presented to the Committee for guidance. Discussion followed:

- WHO conflict of interest: The Committee noted that conflict of interest largely is a perception issue. Given that the role of WHO is to provide advice, the consensus was that conflict of interest is not a concern significant risk at this time. However, GAVI needs need to manage perceptions and make sure processes are explicit and transparent. In this regard, making all parties aware of the details of the WHO screening process is important.

- The role of Board approval in the Monitoring IRC: The Committee's consensus was that financing decisions should remain a Board responsibility.
- Potential conflict in in-house management of the IRC: The Committee consensus was that it is important to maintain the process within the Secretariat's Programme Delivery (PD) team and acknowledged the planned restructure of this team to address some of the issues raised in the report. However, they noted that was important to develop rules of conduct for participation by technical staff in IRC discussions and monitor closely the impact of the restructure on issues raised.
- Establishment of a country appeal mechanism: The PPC agreed on the importance of an appeals process that is: well managed; transparently aligned with strategy; and, clear on the rules about which decisions can be appealed and clear timelines on when such appeals can be lodged.
- Open/competitive IRC membership: The PPC agreed with the consultant recommendation to develop an open application process for IRC membership. They noted the need (through this process) to bring new competencies associated with prioritisation – eg: assessing country readiness in its call for applications, monitoring and evaluation expertise, and to ensure that clear conflict of interest policies in place (particularly for this new competency).

8 Programme Funding Strategy

Tony Dutson, Chief Accounting Officer, reported on the development of a system to determine the envelope of funds available for approved applications and to introduce the principles and options that will be discussed in greater detail by the Audit and Finance Committee. Collectively, these two components could comprise GAVI's Programme Funding Policy. Discussion followed:

- While it is important to ensure that the system aligns with National planning cycles- which often run at five year intervals.
- The consensus was that the policy should consider extending the proposed 2 year to a 3 year commitment. That said, it was noted that the current 12-18 month financial cycle is consistent with sound accounting policy.
- Donors present stressed difficult financial situation and the need not to assume increases in future commitments. The committee also stressed the need to consider predictability for countries and manufacturers in setting policy. A lack of long term perspective affects the long-term forecast and tendering from industry, since industry makes 3-5 year investments in advance for various levels of capacity building.
- The Committee asked that GAVI recognise and pursue potential role of "GAVI dedicated" innovative finance for long term income.

9 Health Systems Strengthening

Carole Presern, Managing Director of Special Projects led the discussion about a proposed system for allocating funds for Health Systems Strengthening amongst eligible countries. The Committee was asked to consider 3 options of allocating resources. Discussion followed.

- The Secretariat clarified questions around the proposed mechanisms
- A number of PPC members commented that it was difficult to make a recommendation without understanding the total size of the envelope available for health systems strengthening. It was clarified that this would be addressed in a different paper.
- The PPC noted that data quality issues are important. For both birth rates and population estimates, these need to be addressed to ensure that the mechanism works properly.
- A point was raised that, if funding is limited, GAVI should consider prioritizing and make more significant financial investments in a few countries rather than smaller investments in many countries.
- The PPC requested clarification from the Board on much support would continue for countries which are not within the low income country (LIC) category.

DECISION

The GAVI Alliance Programme and Policy Committee:

- 9.1. Endorsed option to allocate resources based on a combination of total population size and GNI per capita. This option should include a “floor” or \$3 million to make it worthwhile for small countries to apply plus “ceiling” on funding for large population purposes to preserve equity between countries.
- 9.2. Requested that the Secretariat prepare a paper for board consideration on percentages of GAVI’s resources which should be considered for cash (HSS window, ISS and CSOs) and vaccine programs and clarify whether or not monies unallocated to date for HSS from approved envelope would be “committed” HSS moving forward. This should also include information on relative resource allocations in the first 10 years of GAVI.

10 Accelerated Vaccines Introduction (AVI) Initiative- Update

Jon Pearman, Head, AVI, Programme and Policy updated the committee summarised key AVI activities completed since the prior PPC meeting and ongoing activities for the remainder of 2010. He also described the cross functional production launch approach that had been applied to project management.

Discussion followed:

- The PPC welcomed the update on AVI and thanked the Secretariat and partners for the technical briefing conducted on the day prior to the PPC meeting. The quality of that briefing and information provided was commended by those PPC members who had been in attendance.
- The consensus of the committee was that it was important to be briefed on the full breadth of the work being done in the AVI, particularly from a risk management perspective.
- Committee members acknowledged that the AVI is at the center of the Alliance – and demonstrates the innovation and added value that can be achieved through partnership. They also acknowledged that partnerships are not “cost free” and that was important to keep learning from innovation.
- The committee suggested that June Board presentation emphasise the overall framework and breadth of the AVI, as opposed to operational details.
- For the next PPC meeting, they requested additional information on management structure including links with resource mobilisation activities and country level work by WHO and UNICEF. Further, per the briefing, the presentation would focus on cold chain assessment and special studies.

11 myGAVI Update

Chris Endean, Senior Manager, Web Communications presented the PPC with a new tool that the Secretariat has developed to improve information sharing across Alliance members. Brief discussion followed:

- Whilst the initiative was applauded and the potential recognised, Board members were pleased to know that the traditional email communications tool would still be utilised and expressed interest in utilising the new system in a phased manner.

12 Other business

The Chair requested any other business be brought forward for discussion.

- Some members of the PPC raised an issue about the finalisation of papers prior to distribution to the PPC. The Committee agreed that where a PPC task team is putting forward recommendations, the task team chair should have the option to review the document to ensure that any task team recommendations are adequately represented.

- The Chair acknowledged that this would be the last meeting of David Salisbury, outgoing Chair of WHO's SAGE and thanked him for excellent contributions and active engagement.
- The issues of roles and responsibilities of the PPC would be put on the agenda for the fall meeting.
- The date for a fall meeting was agreed to 21-22 October in Geneva at the offices of the GAVI Secretariat.

There being no further business, the meeting was adjourned.

Gustavo Gonzalez-Canali, Chair

Attachment A

Participants

Committee Members

- Gustavo Gonzalez-Canali (Chair)
- Joan Awunyo-Akaba
- Mickey Chopra
- Paul Fife
- Suresh Jadhav
- Rama Lakshminarayanan
- Steve Landry
- Susan McKinney
- Jean-Marie Okwo-Bele
- Olga Popova
- Anne Schuchat
- David Salisbury (non-voting)

Other board member participants

- Minister Abdulkarim Rasae

Regrets

- Magid Al-Gunaid
- Ashutosh Garg
- Fidel Lopez-Alvarez

GAVI

- Mercy Ahun
- Craig Burgess (HSS)
- Santiago Cornejo (co-financing)
- Christopher Endean (MyGAVI)
- Helen Evans
- Gian Gandhi (co-financing, prioritisation)
- Julian Lob-Levyt
- Meegan Murray-Lopez
- Stephen Nurse-Findlay
- Jon Pearman (AV)
- Carole Presern (HSS)
- Nina Schwalbe

Guests by permission of the chair

- Ibrahim El-Ziq
- Leone Gianturco