



GAVI Alliance Programme and Policy Committee Meeting

2 November 2011

Teleconference

FINAL MINUTES

1. Commencement

- 1.1 Finding a quorum of members present, the meeting commenced at 16.06 Geneva time on 2 November 2011. Gustavo Gonzalez-Canali, the Chair (“Chair”) of the Programme and Policy Committee (“PPC”), chaired the meeting.

2. Business plan and budget

- 2.1 The Chair reminded the PPC that in 2010, the Board had approved the strategy and business plan for 2011-2015, the budget for 2011, and a provisional budget for 2012. It was anticipated that as GAVI’s financial picture became clearer, more details for the 2012 budget would be provided to the Board.
- 2.2 The PPC held a high level discussion on 28-30 September 2011 concerning adjustments to business plan activity. Next the Audit and Finance Committee performed a financial review during its session on 28 October, inviting PPC members to attend. Given this additional input, the Audit and Finance Committee determined that it would be helpful for the full PPC to review the budget implications as well. It was for this reason, that the PPC Chair called for this PPC meeting.
- 2.3 At the outset, the Chair stated that the PPC should not re-open points upon which the Board had already agreed in 2010. He also stated that from his perspective the current submission did not represent a policy change from what was previously agreed. With regard to the budget, he stated that the PPC’s role in the business planning process this year was to ensure that the priority areas were appropriately managed and resourced while the Audit and Finance Committee would evaluate whether the overall budget level was appropriate and sustainable for GAVI in the current economic environment.
- 2.4 Next, Helen Evans, Deputy CEO reviewed the changes to the budget, which focused on four priority areas as outlined in the paper.
- 2.5 Also, Helen Evans noted that the revised budget compensates for changes in the foreign exchange rate between the Swiss Franc and the U.S. Dollar.

Finally, a cost of living adjustment (“COLA”) and small component for performance-based compensation had been included; there had been no COLA in the previous budget cycle.

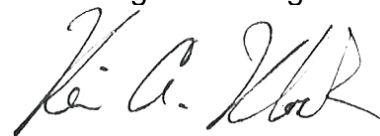
- 2.6 Seth Berkley, Chief Executive Officer, reported that he had been impressed with the business planning process and the intensity of follow-up. He highlighted that the adjustments to the 2012 budget reflected a desire to extract better data and to improve facilitation and coordination of GAVI activity. He concluded that GAVI’s biggest risks are that it does not deliver on its promises and that it loses the confidence of its stakeholders due to a misuse of GAVI grants.
- 2.7 Finally, Seth Berkley noted that there will be a 123% increase in programme cost (i.e. GAVI grants) from 2010 to 2012, while the proposed business plan budget is only increasing by 24% in that same period. This would decrease the business plan’s portion of overall spending from 17% to 11%.
- 2.8 Subsequently, the Chair requested comments so that the Committee could advise the Audit and Finance Committee on its recommendation, and the Board on its decision.

Discussion:

- The PPC supported the priority areas including strengthening accountability. In that vein, there was discussion on whether the increased resources to do that were properly allocated among the Secretariat and implementing partners. Getting this balance right is a work in progress. Notably, there is a basic requirement to improve dialogue and coordination so that between the Secretariat, UNICEF, WHO, and other implementing partners, work is properly facilitated. Much of the increase in funding to the Secretariat is geared toward facilitating such coordination and not towards implementation which will remain the mandate of WHO, UNICEF, and other partners.
- It was also noted that the 2012 budget request did not support a change in role for the Secretariat; the emphasis was on enhancing engagement and coordination, particularly at country-level. If in the future it was envisioned that the Secretariat role would evolve in a significant way (e.g. establishing country presence), this would clearly constitute a significant policy change and would need to be a decision taken by the Board.
- The budget includes a 14% increase for WHO. UNICEF also will increase spending on GAVI activity but has chosen to fund it from its own core resources.
- The line item covering discretionary expenditures by the CEO is intended as a one-time budget item to allow the CEO some flexibility given that he has been in office for a short time. The PPC and the Board would be informed on the use of the funds during the year. The PPC reflected on the size of the reserve and how the amount was reached. Following that, there was an acknowledgment that the CEO ought to have some meaningful flexibility, but that scrutiny over the size and use of the reserve was part and parcel of the Board’s fiduciary responsibility.

- As discussed at the PPC in September in 2012, the Secretariat will present options to the PPC and board for opportunities to fund research. The Secretariat advised there are ongoing studies funded by GAVI that will continue to be conducted during 2012.
- The PPC noted, and the Secretariat acknowledged, that with increased profile and renewed funding, GAVI must continue to ensure all resources are used efficiently and effectively and to also closely monitor perception issues in all areas of its work from delivering on country promises to providing COLAs for staff.
- Questions were raised on increases to the Law & Governance budget. The Secretariat clarified that the increases were to support the large number of governance meeting scheduled and developing country and civil society Board member professional support. An increase associated with one FTE was offset by a requisite decrease of one FTE in the Executive Office.
- The PPC expressed the need to get more details on the implementation of the vaccine introductions and health system strengthening activities. The CEO will regularly report back to the PPC and the Board on this matter. He also pointed out that there are a number of mechanisms in place to manage these activities where most partners are represented (e.g. AVI management team weekly meeting).
- Some PPC members thought the EC should also review the budget prior to the November Board meeting. On the other hand, other PPC members questioned the usefulness of such consultation when the EC's next meeting was scheduled for the night before the Board meeting. A suggestion was also put forward to discuss the budget and issues arising in the closed session. In the end, the PPC requested that the CEO consult the Board Chair on the possibility of the Executive Committee reviewing the budget at its next meeting.
- All in all, the PPC noted that it was generally comfortable with the budget moving forward to the Audit and Finance Committee for financial review. In doing so, it noted the need to ensure that the clarification provided in the meeting be included in the Board paper, that the division of roles among partners be further clarified and that regular reporting on their activities come to the Board and its committees. It also asked for an early sighting of the next budget process so that it had adequate time to provide detailed input. The Chair noted he would provide this advice to the Audit and Finance Committee and to the Board.

After determining there was no further business, the meeting was brought to a close.

A handwritten signature in black ink, appearing to read 'Kevin A. Klock'.

Mr Kevin A. Klock
Assistant Secretary

Participants

Committee Members

- Gustavo Gonzalez-Canali, Chair
- Mickey Chopra
- Paul Fife
- Ashutosh Garg
- Nguyen Tran Hien
- Suresh Jadhav
- Rama Lakshminarayanan
- Steve Landry
- Jean-Marie Okwo-Bele
- Anne Schuchat
- Klaus Stohr

Regrets

- Joan Awunyo-Akaba
- Leone Gianturco
- Magid Al-Gunaid
- Susan McKinney
- Anders Nordström

Other Board members present

- Seth Berkley (non-voting)

GAVI Secretariat

- Helen Evans
- Barry Greene
- Kevin A. Klock
- Nina Schwalbe

Guest

- Aksel Jakobsen