11 July 2013

**GAVI Public Comment on 2013 MAR**

GAVI welcomes DFID's 2013 MAR assessment which focused on progress made in the five areas identified as DFID reform priorities for GAVI in the 2011 MAR. The MAR process serves to ensure that UK investments in development aid offer value for money, provide tangible and measurable outcomes, have wider economic impact and result in sustainable outcomes. For GAVI the 2011 MAR was a useful tool for focusing in on areas that needed further attention and progress. In summary, the 2013 MAR found that GAVI continues to be a high performing institution providing a very cost effective health investment and has made good progress across the five DFID reform priorities. We also appreciated that the MAR drew upon recent MOPAN and bilateral assessments which also confirmed the MAR's conclusions.

The MAR update documents GAVI's on-going commitment to improvement across the 2011 DFID highlighted reform priorities and evidence of this being translated into action. In some areas there has been a rapid impact from new policies implemented since 2011 for example in significant price reductions for rotavirus, pentavalent and HPV vaccines. In other areas, such as in fragile states, the 2013 MAR update noted that while the policy has been developed and approved it is too early to judge the impact of reforms at country level. We agree with that assessment.

We would like to respond to a few specific areas highlighted in the 2013 update.

**Attention to Cross-cutting Issues (Fragile States)**
GAVI welcomes DFID's focus on fragile states, which is also consistent with GAVI Board priorities, and has moved from a "one size fits all" to a more tailored approach in fragile and underperforming countries. In 2012, the GAVI Board approved 'GAVI and fragile states: a country by country approach' and there were additional specific UNICEF and WHO responsibilities in the 2013-14 Business Plan for addressing equity and underperforming countries. The Secretariat with partners is in the process of developing tailored country approaches and by end 2013 the Secretariat aims to have a tailored approach in place or under-development for the majority of countries eligible under the policy. However, this has been slower in some cases because of in-country complexities (e.g. devolution to the states and national elections in Pakistan, civil conflict in CAR) and resource limitations in the Country Support team.

The MAR noted that more work should be done to address equity and countries with DTP3 cover under 70%. As the MAR update notes this area remains a priority across the Alliance and was given much stronger priority and focus in the 2013-2014 business plan. WHO and UNICEF are making progress in developing country level coverage improvement plans and equity action plans in 10 priority countries. The recruitment of additional staff by UNICEF has resulted in some delays and tendering for additional partners to work in some of these countries requires new contracting. However, we are optimistic that this more targeted approach to fragile countries will, over time, have a positive impact.

**Strategic and Performance Management**
Since the 2011 MAR, GAVI has also received feedback from HSS evaluations, the IRC, and the Health Systems Technical Advisory Group to the CEO on redirecting HSS support to reflect more exactly the

Strategic Goal 2 and its objectives. GAVI has made significant progress in 2012 in reforms to the HSS support model. This began with the introduction of the performance based funding (PBF) model, simplification of unnecessarily complex procedures, strengthening the focus of HSS investments on immunisation, enhancing technical assistance to countries for HSS programme design and implementation, and significantly improving monitoring and evaluation of HSS grants. It is important to note that these reforms are just entering implementation stage and significant impacts are not expected before 2014. GAVI plans to carefully monitor these reforms and adjust the course of action if necessary.

However, some of the reforms have already produced promising results. In 2013, there has been an acceleration in disbursement of cash to countries. GAVI has a very realistic target to disburse approximately $100 million on HSS which will be the highest level of disbursement since 2008. During 2012-2013 there has been a much stronger focus of HSS grants on immunisation bottlenecks. There is also and increased focus on equity as 59% of new HSS grants focus on geographic dimensions of equity and 53% on socio-economic dimensions of equity. There is also a greater balance of demand and supply side strategies. In 2013, GAVI reviewed the M&E framework and introduced a new set of intermediate indicators that will improve the way GAVI measures the impact of HSS support.

**Financial Resource Management**

GAVI is very conscious of the need to design specific responses to fiduciary risk exposure in fragile states and complex countries. As part of the fragile states tailored approaches in countries, including Nigeria and DRC, specific responses include the appointment of a dedicated Internal Auditor reporting to GAVI, the use of UN organisations' supply infrastructure to procure specialized equipment, the independent selection by GAVI of the external auditor to conduct the annual external audit, and increased financial monitoring visits at the regional and local level.

GAVI is also more actively managing cash flow to countries and financial management of resources. There is a quarterly review of country cash disbursement/utilisation status by region and any delays are addressed promptly. Since the MAR submission, the amounts of approved and disbursed HSS funds have changed. As of April 2013, the total portfolio of approved HSS grants since 2007 is US$611 million, of which US$425 million has been disbursed.

The number of countries experiencing delayed disbursement is declining. However, the reasons for disbursement delays (such as in Ethiopia, Bangladesh and Pakistan) are significantly related to rapidly changing political situations, changes in administrative structures and bureaucratic country specific issues e.g. outstanding audit reports, change of bank accounts, delays in signing of Aide Memoires by countries, delayed country response to clarifications. Delays related to GAVI procedures have been minimised. GAVI is addressing the country specific issues much more pro-actively, which has been made possible by the increased number of country responsible officers. As GAVI increases the efficiency of disbursements and cash flow to countries it is carefully balancing this with adequate fiduciary risk management measures.

**Cost and Value Consciousness**

GAVI has made great strides in reducing vaccine prices over the past few years although we agree that the supply and procurement strategy is still being implemented. GAVI is making progress on vaccine roadmaps with HPV completed and published on the GAVI website. Yellow fever and pentavalent vaccine roadmaps will be published imminently. Four others including PCV and rotavirus are underway. GAVI has been able to negotiate significant price reductions for vaccines; for example, the weighted average price per course of pneumococcal, rotavirus and pentavalent vaccines decreased by 35% from US$35.19 in 2010 to US$22.63 in 2012. Recent negotiations with manufacturers have resulted in a price reduction for HPV (US$ 4.50 per dose compared with $100 per dose in high income developed countries). GAVI is actively working with suppliers regarding the current vaccine portfolio and future vaccine investments through the Vaccine Investment Strategy (VIS) to improve the long term sustainability of supply.

**Partnership Behaviour**

The MAR update highlights a need for Immunisation Coordination Committee meetings (ICCs) to be more regular and better linked to other consultative fora. The Secretariat agrees and seeks to work with key countries where it identifies that the ICC should be more active. However, GAVI also strongly encourages partners that are on ICCs to raise issues of effectiveness on the agenda of the ICC itself - strong and active ICCs are the result of engagement by in-country partners. The staffing up to a total of ten Country Responsible Officers (CRO) and four Country Heads will allow for more frequent contact with countries and greater stewardship of GAVI resources through strengthened relationships with governments and in-country partners. This will allow for a more proactive approach to jointly identifying and resolving implementation problems.

GAVI is increasing engagement with and funding of CSOs. As part of the 2013-2014 Business Plan, the engagement of in-country CSOs in national policy and planning has been given greater emphasis and has been funded in a number of countries. GAVI is also actively working with CSOs to improve their access to GAVI prices. In 2013, GAVI affirmed support for CSOs working with governments and recognised their key role in many countries in delivering immunisation services using Government supplies. In 2012, GAVI facilitated the availability of lower priced vaccines for refugee camps in South Sudan for use by CSOs.

The 2013 MAR noted DFID concerns over a lack of opportunity for CSO involvement at the provincial level and below. However, GAVI regards CSO engagement in Pakistan as one of the positive aspects of GAVI's programming in the country. GAVI CSO partners have reported that civil society engagement with Government in Pakistan has strengthened as a result of GAVI support. There are challenges for GAVI in Pakistan related to provincial level engagement as a result of Constitutional Amendment however this is an issue that all development partners are struggling to resolve.

**Conclusions**

In 2013 and 2014, we look forward to the impact of the improvements to the processes and systems implemented during 2011-2012. We anticipate that these will allow GAVI to be even more effective in delivering on the ambitious agenda set out in the 2011-2015 GAVI Alliance Strategy.
These results and value for money will be also showcased at the 2013 GAVI Mid-Term Review in October 2013.