

Phone conversation between GAVI, Good Ventures, and GiveWell on February 2, 2012

Participants:

- *From GAVI: David Ferreira, MD for Innovative Finance & Head of Washington DC Office, and Alex Palacios, Special Representative*
- *From Good Ventures: Cari Tuna, President, and Camellia Pham, Research Associate*
- *From GiveWell: Elie Hassenfeld and Natalie Stone*

GiveWell: We would like to understand what additional funding would do for GAVI, and, if we were to fund vaccines, how we could know that we have caused more vaccines to be distributed than otherwise would have been. Are there vaccines or regions that GAVI would like to be distributing vaccines to that it can't right now?

GAVI: Alex and I aren't vaccine experts, so we will try to answer your questions but may need to refer you to documents and subject matter experts.

The bottom line is that with more money we can always do more.

We were very pleased with the results of the June 2011 pledging conference, but having said that, demand and supply is iterative, even when talking only about the current package of vaccines that GAVI funds. In theory we received \$600 million more than we needed, but the increased funding stimulated demand in the form of record applications for funding from countries. Demand for funding rose to the level of the funding we have. Based on current forecasts, we are funded through the end of 2015. The lesson we have learned from this is that when you have resources, there are countries and partners that step up and say "this is worth applying for."

We also had self-imposed some constraints for rationing purposes during the previous application round. Notably, we said regardless of how many new vaccine rollouts you apply for, you can only roll out one new vaccine per year. We have now lifted that restraint.

At the pledging conference, we weren't talking about post-2015. But, we are not going to be out of the business of immunizing kids in 2016 and we're going to still need funds. Our current preoccupation is the funding gap post-2015. Once we enter into 2016 we have a very significant funding gap. It's a big number, bigger than we had in 2011-2015, and there are very few resources committed over that time horizon.

There are opportunities for getting involved in new vaccines, both rolling out vaccines that are already available and preparing for vaccines that are coming down the pipe, such as, hopefully, dengue and malaria. Also, there are a lot of poor people in lower-middle or middle income countries who aren't served by GAVI. We need to

start looking at that problem: not saying we necessarily will be able to start providing funding in that context, but it is an issue we need to grapple with.

We always need to be in serious resource-mobilization mode. We need to expand our donor base beyond a relatively small number of rich country governments and the Gates Foundation. We want to put together a broader coalition of public and private funders and champions.

We walked away from the 2011 pledging conference with a vote of confidence and with significant pledges. We are working over the next few years to make sure the pledges are delivered. We are working with parliaments, the U.S. Congress, etc. We have our work cut out for us to now secure all that pledged funding.

GiveWell: Assuming that all the pledges come through, is primary focus of fundraising on securing resources for 2016 and beyond?

GAVI: The resources that have been pledged provide us with what we think is minimally necessary through 2015. This includes commitments that have already been made to countries, plus our forecasted new rollouts of vaccines. It does not include needs for vaccines such as polio, for example, where we have been approached to help provide eradication funding.

We publish our board papers on our website. If you look at the November 2011 papers, you'll see a financial forecast update and a resource mobilization update.

It's important to emphasize we're not going to end up with money burning a hole in our pocket. Post-2015 is a major concern for us. 2015 is an artificial cutoff date; GAVI funding will continue to be needed after that date. It's very important not to have a gap in funding.

GiveWell: Are there gaps that could be filled before 2016 if you had more money?

GAVI: Yes is the short answer. There is, however, a balance to be achieved between sustainability and acceleration. If you commit to ramping up a lot today, are you going to be able to follow through and be a reliable partner? On the other hand, we're in the business of reaching as many kids as possible, so we're trying to get donors to commit more and to commit sustainably.

We've reached 80% vaccination coverage in GAVI eligible countries and that's great, but it means that 20% of kids aren't reached. The last 20% are likely especially disadvantaged and the hardest to reach. There is more work to be done. We want to get to 90% coverage. The goal was 90% by 2000. Now we hope to get there by 2020. Vaccination rates slipped back before; we don't want that to happen again.

Good Ventures: If you received an unexpected \$1 million donation today, what would you use it for?

GAVI: If you gave us \$1 million tomorrow, we'd put it to good use. We'd have a conversation about how to use it and we'd report back to you how we used it. In addition, we should point out that cash in the bank will always help us with our cash flow because lots of our funding inflows from government pledges are timed in such a way that they are not necessarily in line with the timing of our spending commitments.

Good Ventures: So the funds are quite fungible?

GAVI: One example to think about is perhaps the U.S., which pledged \$115 million for 2012, whereas Congress has allocated \$100m for now. We need to figure out how to fill that gap. We have a growing number of countries rolling out new vaccines. It is not guaranteed that all the resources pledged will be on hand at the time we need them. We are not awash in cash.

Good Ventures: How likely do you think it is that GAVI will run out of cash at a critical moment?

GAVI: We have a methodology for being as rigorous as we possibly can about the balance between sustainability and scale-up. Before we make commitments to countries, we need to be confident that we have the necessary resources to fund them for at least two years. So in that sense, at any point in time we believe we'll be okay.

We have a whole bunch of technically sound applications that we rank. We then match that up with available resources. If we don't have the resources available, we don't fund a proposal.

Good Ventures: How often are the application rounds?

GAVI: Twice a year, and occasionally we have supplementary rounds. There was no application round in 2010 because of funding challenges, and there was only one in 2011. Hopefully we're back on schedule now.

GiveWell: In 2011 round, were there proposals that we're funded due to lack of funding?

GAVI: In the 2011 round, we were not constrained by resources. And we don't think there will be funding constraints through 2013. But this is based on forecast demand, not the actual demand that will be manifested through applications.

Good Ventures: When is next application round?

GAVI: The independent review committee meets next week, then the recommendations will go to executive committee later in the spring for approval

and the Board will be advised in June. We also have a monitoring independent review committee. The committee meetings calendar is public.

GiveWell: It sounds like funding is not a constraint to expanding immunization coverage in next 25 months.

GAVI: Given what we have said about ensuring delivery of pledges, our forward planning and forecasting, in terms of being able to make commitments to countries, we do not expect funding to be a critical issue through 2013. Our need for new resources – above those already pledged – arises in 2014 when we must secure new money for the 2016-2020 period.

GiveWell: We'd appreciate more specifics on where gaps might arise.

GAVI: In terms of specific needs on the ground, we should get you together with colleagues like Mercy Ahan and others. There are also good documents, which are in the public domain, that we can share with you.

Also, we work with a host of partners and many of the NGOs we work with are dealing with issues connected to immunization, but that aren't necessarily always funded by GAVI (cold chain, logistics management, etc.). They also have funding needs.

Extra money will always make a difference. We need to get better about telling that story, and also the importance of long-term funding in the immunization context.