

# 39<sup>th</sup> Board Meeting

## Enhancing impact and efficiency: Collaboration between Gavi and the Global Fund

GF/B39/10

09-10 May 2018, Skopje

### **Board Information**

Purpose of the paper: as the Gavi Alliance and the Global Fund move into the Global Health Campus, the purpose of this paper is to present the joint perspective on current programmatic collaboration. It further provides a unified outlook into future opportunities for delivering on their respective missions through benefiting from the shared premises, increasing effectiveness and gaining operational efficiencies. This paper was submitted to the Audit and Finance Committee (AFC) for information, and is now being presented for information to the Board at its 39th meeting in Skopje 9-10 May 2018.

# Executive Summary

## Context

The Gavi Alliance (“Gavi”) and the Global Fund are the two largest multilateral health financing mechanisms, committed to saving lives and ending epidemics. In achieving their respective missions, Gavi and the Global Fund have shown a meaningful alignment among their overarching strategic objectives, geographical scope of operations and governance representation. In 2018, Gavi and the Global Fund secretariats – alongside Unitaid, Stop TB and Roll Back Malaria – will relocate to the Global Health Campus (GHC) in Geneva. Both organizations recognize that, beyond already existing collaboration in many strategic areas, including routine knowledge sharing and contributions to each other’s policies, co-locating will strengthen the impact of individual missions, provide significant opportunities for enhanced collaboration, and drive long-term operational efficiencies. In this context, and in response to the Board’s request at its 38<sup>th</sup> Board Meeting, this paper maps out current and potential areas of collaboration between both organizations, programmatic and operational, and calls for a joint consideration, assessment, prioritization and implementation of these.

## Questions this paper addresses

- A. What is the current approach to collaboration between Gavi and the Global Fund?
- B. What are the perspectives for programmatic and operational efficiencies upon moving into the GHC?
- C. What are the next steps?

## Conclusions

- A. Both organizations have demonstrated meaningful results in joint programmatic work. Key areas of collaboration include (1) sharing knowledge, information and lessons learned; (2) coordinating political advocacy at global and country level; (3) aligning programmatic policies, and (4) making joint coordinated investments.
- B. Sharing the Global Health Campus will not only deliver operational cost efficiencies in the form of lower rent and service charges, but will enable driving greater value for money by sharing facilities and services (e.g. facilities management, security, printing, the IT network and communications);
- C. Following the move to the GHC, Gavi and Global Fund leadership teams will continue to meet regularly to discuss how the two organisations can collaborate for impact and efficiency. Collaboration will also be discussed by the Gavi Board in mid-2018.

## Input Sought

This paper is for information and discussion, having been already presented to the Audit and Finance Committee (“AFC”) in March 2018. Key points from the AFC discussion are provided in Annex 1.

## Input Received

The paper is a result of joint work between the Gavi and the Global Fund. Leadership and operational teams from both organizations were consulted on the content of this paper on a regular basis and mutually contributed to its development.



# Enhancing impact and efficiency: Collaboration between Gavi and the Global Fund

## I. Introduction

Over recent years, Gavi and the Global Fund have increasingly collaborated where this can increase their impact and efficiency. The move to the Global Health Campus will facilitate further collaboration and enable greater sharing of infrastructure and services between the Secretariats of the organizations. The Gavi CEO and Global Fund Executive Director jointly presented their collaboration approach to both Boards in mid-2016. This joint paper describes how the Secretariats have continued to work together to enhance collaboration and provides an update on major areas of joint work. The Gavi CEO and Global Fund Executive Director will jointly discuss this with the Gavi and Global Fund Boards at their upcoming meetings in mid-2018.

## II. Gavi and the Global Fund

Gavi and the Global Fund are the two largest multilateral funding agencies in global health and collectively provide over US\$5 billion per year<sup>1</sup> to scale-up access to health services, fight infectious disease and save lives.

Gavi's mission is to protect populations against infectious disease by scaling up immunization programmes to reach all children in lower-income countries. The Global Fund works to end the epidemics of HIV, tuberculosis and malaria by scaling up access to diagnosis, treatment and prevention services in a range of age and population groups, with a key strategic objective to build resilient and sustainable systems for health. Both organizations are committed to building resilient and sustainable systems for health and strengthening overall health systems, providing more health products and services to more people, and ensuring access to improved resources.

Both achieve their mission through providing grants with Gavi's grants largely implemented by national immunization programs and Global Fund grants implemented by a range of principal recipients and sub-recipients across government and civil society. Gavi and the Global Fund investments are also concentrated in many of the same countries (e.g., DR Congo, Ethiopia, India, Kenya, Nigeria, Tanzania, Uganda), while the donor base of Gavi and the Global Fund is also similar.

Although both organizations are focused on controlling disease and saving lives, the two have somewhat different models to achieve their missions. Gavi's grants are largely implemented by national immunization programs whereas Global Fund grants are implemented by a range of principal recipients and sub-recipients across government and civil society. Gavi determines eligibility based on countries'

---

<sup>1</sup> Gavi disburses approximately US\$1.5 billion per year in programme expenses and the Global Fund disburses approximately US\$4 billion.

income level<sup>2</sup> while the Global Fund determines eligibility based on income level and diseases burden, amongst other factors. Currently, 56 countries remain eligible for Gavi support (of which nine are in the process of transition) while 109 countries are currently eligible for Global Fund support. While the Global Fund has a broader geographical scope, there is significant overlap between the countries supported by both organizations, especially in Africa. Approximately 80% of Gavi's support is provided as commodities, which are procured centrally by UNICEF, whereas the majority of the Global Fund support is in the form of cash grants.

The two organizations work with a range of partners, some of which are common. Gavi's core partners are WHO (Immunisation, Vaccines & Biologics department), UNICEF, CDC, the World Bank and civil society whereas the Global Fund work most closely with WHO (HIV, TB and malaria programs), UNAIDS, Unitaid, UNDP, Stop TB, Roll Back Malaria and civil society organizations (CSOs). Gavi's core partners are members of the Alliance with voting seats on the Board and are directly funded by Gavi for their Alliance activities. The Global Fund's technical partners have non-voting status on the Board and the Global Fund primarily finances technical support through its country grants.

### **III. Approach to collaboration**

Gavi and the Global Fund both recognize the value of collaboration. Working together in the right areas allows both organizations to increase their effectiveness and impact in delivering their respective missions and can also potentially increase the efficiency of their respective operations. Both organizations also work with a range of other partners. Each is judicious in choosing which partners to collaborate with across their respective value chains by weighing comparative advantage and the potential to add value with the potential costs and risks. The leadership of Gavi and the Global Fund have worked together over recent years to map and prioritize potential areas of collaboration. Potential opportunity areas were assessed based on the potential for any of the following types of collaboration:

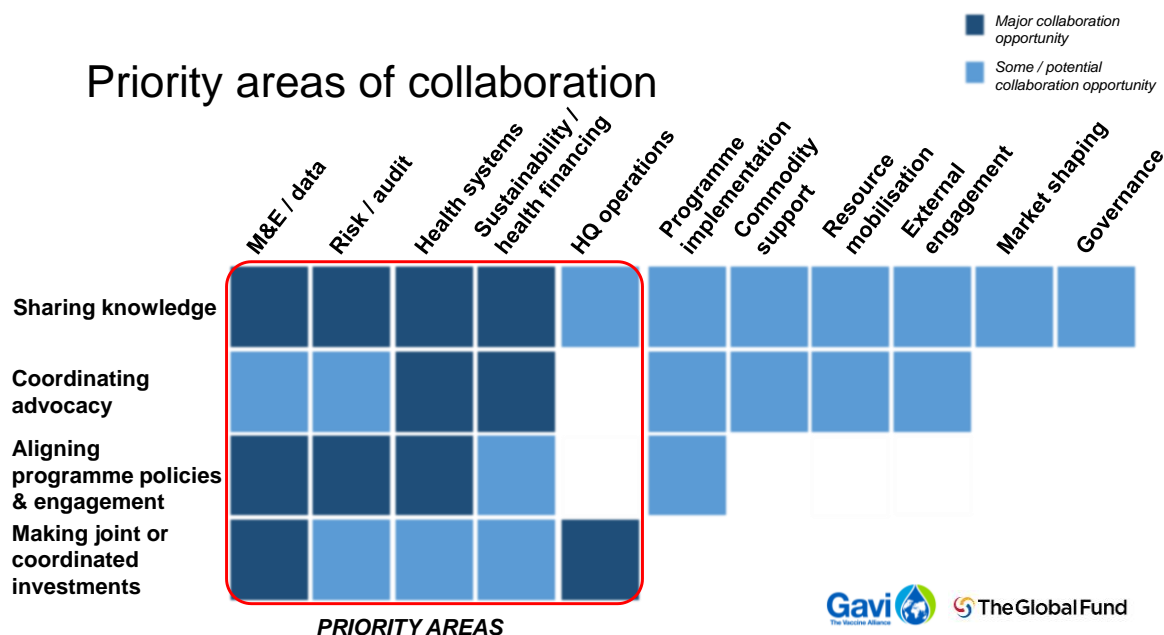
- A. Sharing knowledge, information and lessons learned
- B. Coordinating political advocacy at global and country level
- C. Aligning programmatic policies and engagement
- D. Making joint or coordinated investments

The two organizations aligned on five areas – four programmatic and one operational – as having the highest potential for collaboration, as illustrated below.

---

<sup>2</sup> Currently, Gavi's eligibility threshold is US\$1,580 per capita

## Priority areas of collaboration



The following sections describe how the organizations collaborate across these areas to increase the impact of their respective programs and the efficiency of operations, and some examples of where collaboration has not added value. As the process of relocation to the new Global Health Campus is ongoing, the magnitude of opportunities for operational efficiencies between both organizations will require careful consideration, assessment, prioritization and implementation.

## IV. Overview of Gavi-Global Fund collaboration

### 1. Programmatic collaboration

#### A. *Sharing knowledge, information and lessons learned*

Teams across Gavi and the Global Fund regularly share information and expertise. At country level, Gavi's Senior Country Managers and the Global Fund Fund Portfolio Managers routinely share information including political intelligence, external and domestic health financing, fiduciary risk and cost benchmarking. At headquarters, there is continued exchange of information and best practice. For example:

- The Global Fund was a member of the Steering Committee for Gavi's Health System & Immunization Strengthening policy review and collaborated closely on Gavi's review of its fragility policy. It also provided inputs on the development of Gavi's Country Engagement Framework based on experiences with its New Funding model.
- The two share best practice and knowledge on market shaping. Gavi attends the Global Fund's annual Market Dynamics meeting while the Global Fund's Head of Direct Procurement attends Gavi's Vaccines Market Dynamics Convening meeting. The Global Fund was a member of the Steering Committee for Gavi's Supply and Procurement strategy and the Global Fund expert chairs Gavi's Japanese Encephalitis Procurement Reference Group to advise on procurement strategy.

### **Case example 1: Collaborating to manage fiduciary risk**

Gavi and the Global Fund regularly share knowledge and approaches in order to achieve efficiencies in financial management and better manage fiduciary risk. Such collaboration includes:

1. Sharing intelligence about risks and financing mechanisms e.g. funds flow mechanisms to sub-national levels
2. Sharing assessments of implementer capacity to manage grants (Gavi has also sought to use the Global Fund's local fund agents (LFAs) to conduct and inform its Program Capacity Assessments wherever this makes sense)
3. Sharing information impacting value-for-money, e.g. comparison of unit costs of grant inputs including unit costs of staff supported by respective grants
4. Jointly advocating for better risk management

Where opportunities exist, Gavi and the Global Fund also share oversight mechanisms in higher risk countries. For example, the two share fiduciary agents in DR Congo and Madagascar, while in Kenya and Ghana the Global Fund's LFA serves as a monitoring agent for Gavi. In Sierra Leone, Gavi, the Global Fund and the World Bank agreed with the Ministry of Health to have the same financial management unit, IHPAU, manage the health systems investments of all three organizations. The Global Fund and Gavi agreed to jointly fund a fiscal agent in IHPAU to ensure transparency, accountability and integrity in the use of grant funds and to build the capacity of IHPAU. Gavi and the Global Fund share the costs of IHPAU including a shared assurance mechanism, a common audit and an agreed programme of expenditures verification. The three agencies also conduct joint monitoring missions to reduce the burden of multiple missions.

There is close coordination between the resource mobilization teams of both organizations. Teams from both sides provided advice to each other and helped brainstorm as each organization prepared for their most recent replenishments. For example, the Global Fund's Director of External Relations briefed Gavi leadership on lessons learned as part of Gavi's preparation for its last replenishment. Similarly, the Global Fund's Audit and Finance Committee requested Gavi insight on how to manage exchange rate challenges as part of the replenishment and Gavi leadership was interviewed by the Office of the Inspector General (OIG) as part of a review of the Global Fund's replenishment. Donor managers also share intelligence about existing and new markets (e.g., at the request of the Global Fund, Gavi provided advice and contacts that helped the Fund secure new support in the Middle East). Gavi and the Global Fund also share lessons learned in their respective efforts to engage the private sector (e.g., they conducted a joint workshop to review their respective due diligence processes) and in some areas, the two organizations jointly advocate for greater private sector engagement.

Both governance teams work closely together to share information and experience in order to strengthen their respective governance processes. This covers a wide range of areas including:

- Approach and experience in appointing Board Chair, Board members and CEO,
- Board and Committee composition, and matrices to evaluate appropriate competencies,
- Approach to supporting developing country constituencies, including potential for Gavi to share mechanism used by GF for its African constituencies,
- Efforts to strengthen the drafting and sharing of Board and Committee papers (including experiences with online IT platforms),
- Co-operation with the Global Fund Ethics Officer around Gavi's revision of its Conflicts Policy and prospective evaluation of current Ethics Policy and approach taken by Global Fund,

- Coordination of governance calendars, which will be even more important once co-located in the Global Health Campus,
- Approach to Board and Committee self-evaluation,
- Exploring potential collaboration between Gavi, the Global Fund and the Global Partnership for Education, especially around policy related to the boards and their committees.

The Gavi Audit & Investigations Department and the Global Fund OIG have agreed a Memorandum of Understanding to enable information to be shared confidentially between the two. The teams have also agreed principles on sharing information, coordinating audit plans and, potentially, aligning audit or investigatory work (which is feasible where there is operational overlap between Gavi and the Global Fund programs as discussed in Case example 2 below).

### **Case example 2: Opportunities and limitations to collaboration in audit**

In 2016, the audit functions of Gavi and the Global Fund identified 25 priority countries in which to explore collaboration based on commonality of financial management, supply chain, and in-country assurance. In 2017, Gavi's audit team and the Global Fund OIG collaborated on an audit of the programs in Zambia to evaluate whether there is scope to enhance efficiency and effectiveness of audit in these countries. The audit teams undertook their audits in the same three week period, staying at the same hotel, and holding workshops together to share findings.

The teams obtained a number of benefits from working together in terms of sharing intelligence and communicating certain common themes identified to the Ministry of Health (MoH). However, they found that there was insufficient operational overlap between the operating models of Gavi and the Global Fund to enable a joint audit to add value because:

- The principal recipients of support: the Global Fund's primary recipients are UNDP, the Church Health Association of Zambia (CHAZ) and a Project Management Unit (PMU) in the Ministry of Health. Gavi support is channeled to other parts of the Ministry of Health.
- Commodity management and distribution is undertaken through different channels: The Global Fund-financed pharmaceutical products are delivered directly to the central stores, Medical Stores Limited, and the CHAZ warehouse, each with different distribution channels throughout the country; vaccines are stored at the National Vaccine Stores under the supervision of the EPI team and at sub-national levels, immunization programs are overseen by the provincial and district health officers.
- Financial management is undertaken by the PMU reporting to the Permanent Secretary in the MoH for the Global Fund grants and a donors unit reporting to the Chief Accountant for Gavi.

Based on this, and experience in other countries, both teams concluded that the limited operational overlap between Gavi and the Global Fund – with different systems, structures and personnel typically executing the programmes – means there are few synergies in common audit execution (there may be more synergy in collaborating with other partners and Gavi is exploring potential shared audit work with WHO and UNICEF, for example). Going forward, the two teams will continue to discuss and align their plans and systematically evaluate where there might be opportunities for collaboration in countries.

#### *A. Coordinating political advocacy at global and country level*

Gavi and the Global Fund have similar policy priorities. Both seek to shape the global political discourse to ensure that health remains high on the policy agenda and to optimize the global development and health architecture in support of the SDGs, also beyond health. To this end, the two organizations coordinate their global advocacy efforts – such as working to ensure that G7 and G20 summits explicitly

recognise the importance of global health. Equally, both coordinate contributions to global health initiatives such as the Global Financing Facility (GFF – where both are represented on the GFF Investors Group and coordinate technical and policy positions in advance of meetings), the Partnership for Maternal, Neonatal and Child Health (where currently Gavi represents the Global Fund on the board) and UHC2030 (where representation rotates between the two). The two organisations have the Global Fund hosted joint events (such as at the recent Tokyo Universal Health Coverage Conference) and work together, along with CSO advocates, to ensure health remains high on donor agendas.

In implementing countries, Gavi and the Global Fund work together to advocate for greater domestic investment in health and strengthening of primary healthcare systems. For example, the two organisations are increasingly coordinating missions to countries where helpful to enable more effective engagement (e.g., in Afghanistan, Central African Republic, DR Congo, Eritrea, Guinea-Bissau, Niger). This includes engagement at senior level where required (e.g., joint visits of Gavi's CEO and the Global Fund's Executive Director to Nigeria and Ethiopia; high-level mission to Malawi including both organisations and the Global Partnership for Education to explore opportunities for more systematic engagement between the health and education sectors).

#### *B. Aligning programmatic policies and engagement*

Gavi and the Global Fund seek, wherever appropriate, to align their programmatic policies and approaches. This reduces transaction costs for countries, ensures Gavi and Global Fund efforts are mutually reinforcing and helps to ensure that both are using best practice approaches. The two organizations collaborated closely to develop their respective policies and operational guidelines on topics including fragility, financing human resources capacity and incentives in implementing countries and the creation of country teams. There has also been work in a number of countries to harmonize monitoring indicators and to align cost frameworks to reduce the reporting burden for implementers. The Global Fund is also seeking to learn from and build on Gavi's Partners' Engagement Framework to manage the Global Fund-funded technical assistance.

The two organizations have also worked to align their approaches in priority programmatic areas. In the area of supply chain, for example, both organizations are part of the Inter-Agency Supply Chain Group and have worked to inform and, where appropriate align, their respective strategies. The two are similarly collaborating in the area of sustainability including in areas such as transition, expenditure tracking, and health financing in general. Both organizations participate in the new WHO consortium on resource tracking and are supporting WHO (financially and technically) to develop National Health Accounts that produce comparable disease specific information. Both have also recently agreed with the World Bank and Global Financing Facility (GFF) to scale-up joint work on health financing and transition. This includes working to increase domestic financing for health in a range of countries (Afghanistan, Burkina Faso, DRC, Haiti, Madagascar, Malawi).



### *C. Making joint or coordinated investments*

Over recent years, Gavi and the Global Fund have increasingly coordinated their country-level engagement and investments. This is particularly relevant where countries choose to use the support of both organisations to tackle similar bottlenecks (e.g., to strengthen supply chains) or where both face similar challenges (e.g., low fiduciary management capacity in the same implementing entity). The two organisations have aligned health systems investments in countries including Burkina Faso, DR Congo, Ethiopia, Gambia, Guinea, Lesotho, Liberia, Malawi, Papua New Guinea, Sierra Leone and Tanzania. This includes joint efforts to strengthen supply chains (e.g., in DR Congo, Guinea-Bissau, Papua New Guinea) and data systems including roll-out of DHIS2, the leading health management information system (e.g., Cameroon, Chad, DR Congo, Mali, Malawi, South Sudan). For example, in Mali, Gavi and the Global Fund coordinated and co-financed a Service Availability and Readiness Assessment and the two organisations have aligned their support to roll-out DHIS2.

Both Gavi and the Global Fund make substantial investments in evaluations and the two are increasingly working together to identify synergies. Gavi participated in the last Global Fund Technical

#### **Case example 3: Joint support for health post construction in Lesotho**

Lesotho's National Health Strategy seeks to increase the number of health posts in the country in order to increase access to services, particularly in hard to reach areas. The country had separately sought Gavi and the Global Fund health systems strengthening (HSS) funding for this purpose. Gavi and the Global Fund worked with the Ministry of Health to develop a coordinated approach with a Joint Roadmap for the construction and delivery of the health posts. The two organisations worked together to agree with the government on the locations of the health posts, their design (in consultation with WHO), cost sharing arrangements for their construction, the health service package to be provided and also on the cadre of health care workers to staff the health posts.

The two agencies also developed a joint agreement with the Government on reporting and on the use of the Global Fund LFA to monitor and supervise construction. This approach enabled Gavi and the Global Fund to maximise their respective impact in helping to address a key barrier to access to services in hard to reach communities, while also reducing transaction costs of the country.

Evaluation Reference Group (TERG) and the TERG Chair and the Global Fund Secretariat attended Gavi's last Evaluation Advisory Committee to discuss potential areas of collaboration including conducting joint evaluations, using the same evaluators and jointly disseminating evaluation reports. The Global Fund is launching Prospective Country Evaluations, which build on aspects of Gavi's Full Country Evaluations, and the two organisations are actively exploring potential synergies and avoiding duplication (e.g., by using the same evaluation partners in Uganda and Mozambique).

#### **Case example 4: Health System Funding Platform**

In 2010, Gavi, the Global Fund and the World Bank, with support from WHO, began to explore creating a Health Systems Funding Platform (HSFP). The objective was to align the HSS funding of all three organisations against a single country-owned plan, budget and monitoring framework. Countries would be able to submit a single, integrated application for health systems support from Gavi and the Global Fund, which would be designed to align with HSS support being provided through separate channels by the World Bank.

Teams from Gavi and the Global Fund worked extensively together over the following 18 months to align their HSS processes, policies and guidelines. The teams prioritised a number of countries with potential to benefit from the HSFP – either in developing a new HSS application or to align existing HSS grants. A number of these countries subsequently submitted HSFP applications.

Ultimately, however, the HSFP was not successful. This was primarily because both organisations' approach to HSS support evolved differently while the HSFP was being developed. Gavi's Board decided to cap the share of Gavi funding being invested in HSS at 25% and increasingly required that these investments were tied to improving immunisation outcomes given stagnating coverage and the specific requirements of immunisation programmes, rather than supporting general strengthening of health systems. And the Global Fund Board decided that support should be primarily provided within disease grants. This example illustrates that joint approaches need to be well thought through, compatible with the strategies of both organisations and have consistent support from both Boards to be successful and avoid creating high transaction costs, as well as confusion for countries.

At global level, Gavi and the Global Fund agreed to co-finance (with UNITAID) malaria vaccine pilots with Gavi committing US\$24.6 million for phase 1, the Global Fund committing US\$15 million and Unitaid US\$9.6 million. Gavi, UNITAID and the Global Fund have now signed a joint MOU to align on guiding principles for how to work together over the course of the pilots and all three funders have agreed on a joint reporting and accountability framework to monitor progress and management of funds.

#### **2. Operational efficiencies**

In 2018, the Gavi and the Global Fund secretariats – alongside Unitaid, Stop TB and Roll Back Malaria – will relocate to the Global Health Campus (GHC). The Campus is designed to foster collaboration, enable new ways of working and inspire innovation, so we can deliver greater impact for the people we serve. The new offices will not only deliver operational cost efficiencies, in the form of lower rent and service charges, but also act as an enabler for enhanced programmatic collaboration and efficiencies, building on the existing collaboration described above, in delivering impact in country. Co-locating will strengthen the impact of our individual missions, driving long-term efficiencies that will far outstrip the significant initial cost savings associated with the building.

In March 2017, the respective leaderships of Gavi and the Global Fund agreed an equal partnership in the Health Campus. At one level, the agreement simply formalised the strong spirit of collaboration with

which the respective project teams had already been working together. But the agreement also represented an important strategic milestone. Acting as joint investors in the Health Campus has helped formalise new ways for the Global Fund and Gavi to make decisions together. This is significant not only for the collective ability to deliver a successful move, but as the basis for a lasting partnership.

The Global Fund and Gavi are projected to occupy approximately 85% of the GHC office space (Gavi will occupy 25% and the Global Fund will occupy 61%). The remaining space will be occupied by Unitaid, Stop TB and Roll Back Malaria. In terms of cost savings, the Global Fund has estimated savings of US\$57m over the 10 years of its lease, in annual rent and associated services. For Gavi, the current expectation is that it will save up to US\$15 million in rent and associated services. Both organisations expect to recoup their capital and moving costs of relocating to the GHC within approximately six years.

Beyond the savings from building costs, we will benefit from operational cost efficiencies, and expect to drive greater value for money by sharing facilities and services. The two organisations will share a number of services from day 1 (e.g., facilities management, security, printing, the IT network and communications). Upon moving into the GHC, Gavi and the Global Fund teams will work towards greater collaboration, identifying and more structurally reviewing and assessing the opportunities for joint efficiencies. The options and trade-offs in potential areas of collaboration are complex and the respective teams will be exploring the best long-term collaboration model.

## **V. Future outlook**

Gavi and the Global Fund work closely across many areas of their businesses. With the move to the GHC, there will be incremental and increased opportunities for collaboration, especially in headquarters functions, which can further increase the efficiency and impact of both organisations. Both will continue to prioritise closer collaboration where this can add value, while also recognising that differences in the two organisations' missions and models can limit the scope for collaboration in some areas, or mean that other partners are a more natural fit. The Gavi and the Global Fund leadership teams will continue to meet regularly following the move to the GHC, to discuss how the two organisations are working together.

## Annex 1 – Summary of AFC Committee Input

Input from the Audit and Finance Committee (AFC) during the AFCo6 meeting and Secretariat response (27-29 March 2018)

1. The AFC sought to learn more about ongoing and future collaboration between the Global Fund and Gavi, notably in the fields of health system strengthening, domestic funding, potential synergies in Human Resources processes and an overall joint work plan. Furthermore, inquiries were made on the impact of the new building on staff health, as well as on the actual costs of the move and potential risks.
2. The Secretariat noted several areas where collaboration is underway with Gavi, adding that collocation will increase and maximize collaboration especially where it makes sense and adds value. Domestic funding and replenishment are two examples of how joint work between the two organizations will yield positive results. The AFC was also informed that a forward-looking workplan will be consolidated once Gavi relocates, building on a detailed workplan already put in place by the joint steering Committee.
3. The Secretariat briefed the AFC on joint HR processes such as the Ombudsman's recruitment, potential joint health services and moving towards a common request for proposals to use the same vendors for specific skill sets and training. On staff health, the Secretariat anticipates that the new building will contribute towards significantly improving the working environment, while prioritization and translation of work priorities into resources would be the key to reducing workloads and staff burnout.
4. On the actual costs of the move and related risks, the Secretariat expressed confidence in its ability to manage outstanding risks, of which there are very few. Regarding the overall GHC project budget, the Secretariat confirmed that actuals for the construction costs and some other items, such as dilapidation costs, would only be available in the course of the summer 2018.