5. Conclusions and Lessons

5.1 The new World Bank Group strategy aims to align regional and global engagements with the World Bank Group twin goals and notes that “global engagements represent an important opportunity for the Bank Group to make an impact on development, but this rapidly growing role also places additional demands on the World Bank Group that it must ensure are aligned with the goals.”1 This review finds that the Bank Group has some way to go to ensure successful alignment and development results from its engagement in major partnership programs.

5.2 The GAVI Alliance is by all accounts a successful and well-funded partnership program supporting childhood immunization, a core element of any public health system. GAVI is highly regarded and considered well-managed. GAVI has attracted US$8.4 billion from a diverse range of public, private, and foundation donors since 2000, becoming the third largest multilateral in health. Judging from its evaluations, GAVI has been successful in bringing together key stakeholders in global immunization, increasing the profile of immunization in national and international health agendas, and raising the public’s awareness of vaccines as a cost-effective intervention in poor countries.

5.3 The World Bank, together with UNICEF, WHO, and the Gates Foundation, is one of the founding Alliance partners and has made outstanding contributions to GAVI and thereby to childhood immunization in low-income countries. At its inception in 2000, GAVI was designed as an informal alliance of partners with a shared mission and with UNICEF hosting a small secretariat. In 2008, GAVI changed its organization and legal personality and became a Swiss foundation.2 The change marked a consequential shift in culture and operating modalities toward a corporate model, with an accompanying rapid growth in the Secretariat. GAVI continues to rely heavily on WHO for policy and country support, and on UNICEF for HSS and vaccine procurement, yet the essential contribution of the key partners is publicly less visible, and the Alliance dimension of the partnership has somewhat faded.

5.4 The World Bank is deeply engaged with GAVI in three different contexts: at the financial level by setting up and running two innovative financing mechanisms; the country level as development partner; and at the corporate level in the governance of GAVI.3

5.5 Financial engagement: The Bank’s most significant contribution to GAVI is the establishment and management of two innovative financing mechanisms, IFFIm and AMC, contributing a third of GAVI’s financial resources from 2000 to 2010. To operationalize these instruments required the Bank to assume financial risk, develop new systems, and make a long-term commitment. The Bank’s financial relationship
with GAVI and IFFIm has been highly competent and professional, if perhaps underappreciated. The Bank provided excellent execution that successfully translated conceptual innovations in development finance (IFF and AMC) into viable pilot mechanisms that have helped finance GAVI’s rapidly expanding budget.

5.6 The Bank assumed a direct balance sheet risk on behalf of AMC and used its excellent credit rating to place IFFIm bonds. The Bank reviewed these challenges at the Board level and worked consistently to launch and implement these innovative financial vehicles. As the treasury manager for IFFIm, the Bank successfully managed problems caused by the credit downgrade of the two key donors. The Bank’s relationship with GAVI as treasury manager for IFFIm has been professional, despite the complicated governance structure of IFFIm.

5.7 Engagement at country level: The relationship with GAVI has been collegial and constructive in countries where there is engagement, but in many countries the Bank has little direct involvement in immunization. The Bank has de facto “left the immunization subsector to GAVI.” IEG considers this a missed opportunity on the analytical side. While direct vaccine support is fully covered by GAVI, the Bank, as a trusted partner at the country level, could add significant value on issues of immunization analytical work, policy and strategy, particularly on ensuring sustainability and equitable access to immunization, and in investments in health systems strengthening (HSS). These are areas of Bank comparative advantage that other partners do not systematically cover.

5.8 Aid coordination efforts such as Joint Assessments of National Strategies and the now defunct Health Systems Funding Platform (HSFP) to harmonize reporting systems have been initiated in several countries. These efforts can work if pursued with determination, as the example of Nepal shows. The Bank and GAVI should continue to seek opportunities in additional countries for better aid coordination in the context of IHP+ to alleviate cumbersome reporting mechanisms and reduce transaction costs.

5.9 Governance: The mandates and priorities of the Bank and GAVI were mutually relevant and compatible at GAVI’s inception, and relationships were excellent with the Bank providing extensive support. Interactions between the two organizations diminished for a substantial period of time after GAVI’s reorganization for two reasons: First, there was a perceived discrepancy between the Bank’s broader development objectives focusing on HSS, equitable access to services, and fiscal sustainability, and GAVI’s focused approach on accelerating introduction of new (and sometimes costly) vaccines in low-income countries. Second, the governance reform diminished the influence of the founding partners and led to concerns about handing control to an entity that might not be fully aligned with the Bank’s priorities and that, at times, appeared to treat the Bank as a
contractor more than a complementary partner. The non-renewal of the ImGAVI Trust Fund by the Bank, citing conflicts of interest, is a telling example.

5.10 Unfortunately, these issues have not been transparently discussed and reviewed at the corporate level between the Bank and GAVI.

**Lessons for the Bank’s relationship with GAVI and other partnership programs.**

5.11 The central lesson for the Bank’s relationship with GAVI is the need to discuss, update, and re-affirm the principal partnership arrangements to reflect the changing realities in which both partners operate. The 2008 governance reform profoundly changed the governance structure, and with it the dynamics of the relationship. The Bank has not, to IEG’s knowledge, reviewed what if any consequences the governance reform should have for its own contributions to GAVI’s governance; for example, it might be warranted to review whether the Bank should change its status from voting member to observer.

5.12 A second lesson is to manage governance of partnership programs more proactively and systematically, particularly during initial setup and reform. GAVI’s governance reform in 2008 was essential but had unforeseen consequences for the relationship between GAVI and the Bank. Rather than promote efforts to resolve the issues, the Bank kept a cautious distance in its engagement with GAVI. As also mentioned in the World Bank Group strategy, the Bank could benefit from managerial oversight of how its major partnerships are governed. More robust corporate attention to how major partnerships are governed and structured is warranted and should be aligned with key decision points such as setup and restructuring.

5.13 Third, the governance reform process which transformed GAVI from an informal alliance hosted by UNICEF into a new independent Swiss foundation, involved complex governance issues and legal concerns. The governance reform process, in which the Bank participated at vice presidential-level, explored organizational options. The choice of creating a new independent organization can also create an expansionary institutional dynamic, as new organizations strive for budget and recognition. The World Bank Group—and indeed the wider international community—may want to carefully weigh the pros and cons of creating new independent organizations versus housing partnerships in existing organizations.

5.14 A fourth lesson is that the Bank’s competence and experience in concessional development finance can be highly useful in future attempts to set up innovative development finance on behalf of partners. The World Bank Group strategy aims to leverage private-sector resources, partnerships, and innovative finance. The lessons from the Bank’s work on behalf of GAVI for future endeavors is that the Bank
should: carefully consider if the short-term benefits of any innovative financial mechanism justify the long-term consequences for the Bank and its partners; find ways to maintain simple governance arrangements; and ensure adequate recognition as well as reasonable protection against reputational risks associated with its work on behalf of partners.

5.15 A fifth lesson is that clearer definition of roles and responsibilities at country and global level could enhance the impact of the Bank, GAVI, and other organizations’ support for immunization. The limited Bank involvement at the country level in ensuring priority of immunization, equity of access, systems support, sustainable financing of immunization, and donor coordination point to missed opportunities for both the Bank and GAVI to improve their development effectiveness. Selection of priority countries and an agreed and documented understanding between the Bank and GAVI staff on division of labor and modes of engagement would be helpful. This division of labor should be flexible and acceptable to both partners; it should permit the Bank to pursue its comparative advantages in policy dialogue and analytical work tailored to country contexts and avoid restrictive contractual approaches.

5.16 Sixth, the Bank-GAVI experience is not unique: there are often missed opportunities for stronger development results in the Bank’s engagements in partnership programs. IEG’s synthesis report of global programs in 2011 found strong operational linkages to the Bank’s country-level work in only four of 17 global programs reviewed. To remedy this, IEG has recommended a more explicit definition of roles and accountabilities in partnership programs. IEG has also recommended that the Bank put in place stronger coordination mechanisms between partnership programs and the relevant sectors and empower its representatives on program boards to work for the Bank’s corporate interests (the Bank has yet to implement a proposal that staff serving on partnership boards be guided by terms of reference that set out Bank-wide institutional positions). These steps could help fulfill the World Bank Group strategy objective of closer alignment between global engagements and Bank Group goals.