

**STATEMENT OF ALEX PALACIOS
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**BEFORE THE
SUBCOMMITTEE ON STATE, FOREIGN OPERATIONS
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.**

MARCH 1, 2013

Madam Chairwoman,

The GAVI Alliance, the Global Alliance for Vaccines and Immunization, welcomes the opportunity to testify before the House State, Foreign Operations Subcommittee regarding the expanding introduction of life-saving vaccines in the world's poorest countries with support from the GAVI Alliance. I respectfully urge the Committee to provide a \$175 million United States contribution to the GAVI Alliance for fiscal year 2014

The level of funding requested directly reflects the rapid pace of national introduction of the new vaccines against pneumococcal disease and the rotavirus in scores of countries over the next three years. Already, by end 2013 these vaccines will have been introduced into 24 countries protecting millions of children. The demand for these vaccines is so strong that it is absorbing the available supply of these vaccines and the plan is to maintain this progress through to end 2015.

SUCCESS OF GAVI IMMUNIZATION PROGRAM

The GAVI Alliance, founded in 2000, is a public-private partnership with the mission to save children's lives and protect peoples' health by increasing access to immunization in poor countries. By the end of 2012, GAVI had financed the immunization of 370 million additional children, who now are protected against deadly diseases such as hepatitis B, meningitis,

pneumonia and the rotavirus that causes young children to die of dehydration. This figure includes:

- Since 2000, the GAVI Alliance has helped developing countries to prevent more than 5.5 million future deaths from hepatitis B, Haemophilus influenza type B (Hib), measles, pertussis, pneumococcal disease, polio, rotavirus and yellow fever.
- GAVI's support to countries has made a significant contribution toward achieving Millennium Development Goal 4 (MDG4): reducing child mortality by two-thirds before 2015.
- GAVI has achieved significant success in securing vaccine price reductions. For example, the pneumococcal vaccine financed by GAVI is 90% cheaper than the public market price in the US and other donor countries.

GAVI PUBLIC/PRIVATE PARTNERSHIP MODEL

The GAVI Alliance represents a new model of development cooperation that brings all partners together within a focused and efficient partnership to develop long-lasting solutions to development challenges. The GAVI model is based on a business to business relationship with partner countries and features innovations such as results-based financing, vaccine co-financing by all recipient countries and vaccine market shaping mechanisms that have increased the security of vaccine supplies while also significantly reducing their prices.

The U.S. has been a long-standing and close partner, helping to shape the organization's policies and programs.

The GAVI Alliance is a lean and efficient operation: overhead represents less than 5 percent of its total budget. Among its cost-saving approaches is that it makes use of its partners' existing capacities. For example, GAVI's vaccine procurement is done through the UNICEF

global procurement division. In regard to our important partnership with UNICEF, I would like to add our support for their requested U. S. contribution of \$135 million for fiscal year 2014.

GAVI'S STRATEGIC PLAN

In November 2010, the GAVI Alliance Board approved a new five-year strategy (2011-2015) based on four strategic goals to ensure the Alliance delivers on its overall mission. The goals are:

- To accelerate the uptake and use of underused and new vaccines,
- To strengthen capacity of integrated health systems to deliver immunization,
- To increase predictability and sustainability of financing for immunization and
- To shape vaccine markets to provide appropriate and affordable vaccines.

Full implementation of the four strategic goals will see GAVI immunize roughly 240 million additional children by 2015 and prevent nearly four million more future deaths. This includes the roll-out of pneumococcal and rotavirus vaccines to protect against the world's two main child killers, pneumonia and diarrhea, as well as sustained progress in providing the pentavalent, meningitis and yellow fever vaccines.

Progress towards these objectives is systematically monitored on a quarterly basis. GAVI's business plan ensures the organization is focused on delivering on these objectives.

In addition to saving lives and preventing illness, immunization also provides other benefits, such as greater productivity and less out of pocket health expenses for medical treatment that often drives families into poverty.

SAVING MORE LIVES

Now 13 years old and a proven delivery mechanism, GAVI is well positioned to save and improve even more lives with support from the US and other donors:

- New life-saving and cost-effective vaccines offering protection against pneumococcal disease and rotavirus, the leading causes of pneumonia and diarrhea respectively, are available to low-income countries through GAVI's program support;
- The platform for delivery is ready with immunization coverage now reaching an average four out of five young children.

Developing country demand is high: by the end of 2015, almost 50 of the world's poorest countries will have introduced the new pneumococcal and rotavirus vaccines and almost a quarter of a billion children will have been protected against these two major causes of disease and child death. An independent evaluation of GAVI in 2010 concluded that demand for pneumococcal vaccine, in particular, was greater and faster growing than for any other vaccine to date.

CONCLUSION

I want to thank this Committee for its long-standing support of the GAVI Alliance and for Child Survival and Maternal Health programs overall. GAVI and its partners realize the fiscal challenges faced by the U.S. and other donor countries and we are working hard to ensure the best-possible stewardship and accountability related to these resources.

We respectfully request that the Committee recommend \$175 million for GAVI for fiscal year 2014. We also request that the funding for GAVI be included within the Maternal and Child Health account and that funding for that account be provided at a level of at least \$750 million.

Thank you for your consideration.