

Session 3

Financing More than Just Vaccines:

Gavi Presentation of Co-financing Ramp-ups, Overview of HSS funding

Santiago Cornejo

Logan Brenzel

Leah Ewald



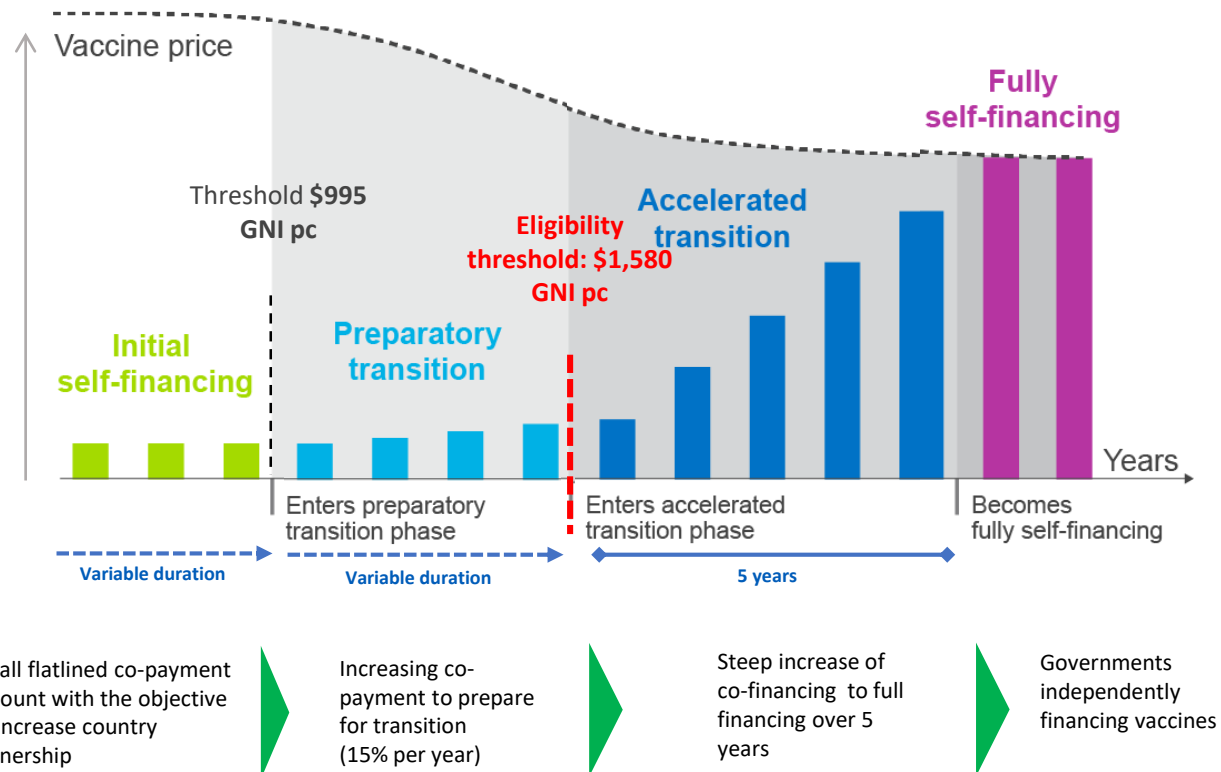
Financing More than Just Vaccines

Gavi approach to sustainability

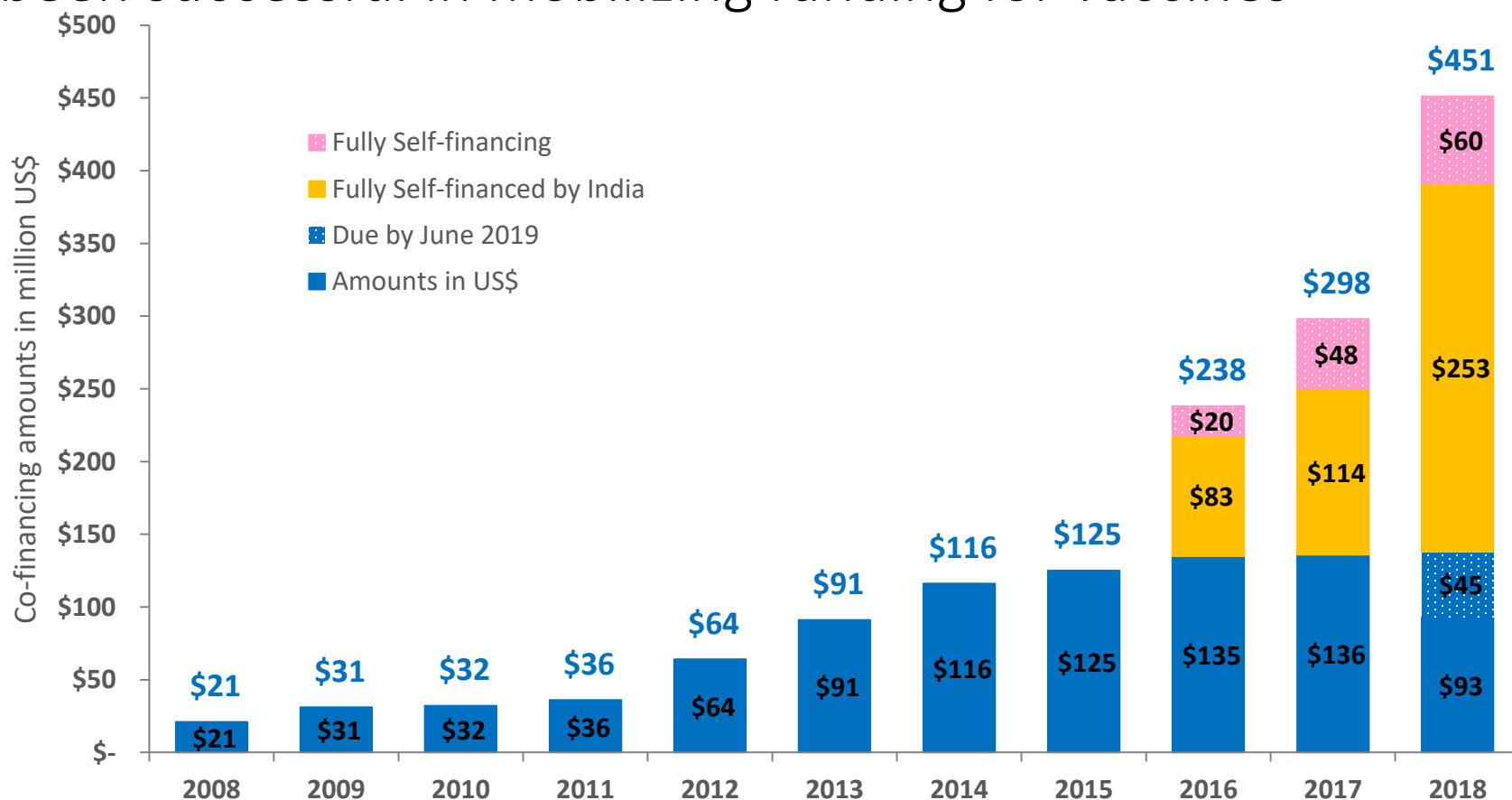
Tangerang, Indonesia
July 3, 2019

Santiago Cornejo

The co-financing policy provides the pathway to achieve financial sustainability of vaccines introduced with Gavi support



Co-financing 2008-2018: Gavi's co-financing model has been successful in mobilizing funding for vaccines



Note: fully self-financing are estimates

In spite of growing co-financing, the number of defaulters has fallen in most recent years

Late paying countries										Default
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CAR	CAR	CAR	Angola	Afghanistan	Afghanistan	Angola	Angola	Ghana	CAR	Cameroun
Chad	Cote d'Ivoire	Congo, DR.	CAR	Angola	Angola	Congo	Congo	Congo, DR.	Chad	Ghana
Gambia	Congo, DR.	Georgia	Congo, DR.	CAR	Cameroon	Republic	Congo, DR.	Madagascar	Cameroon	Sierra Leone
Guinea-Bissau	Guinea	Guinea	Togo	Congo	Congo	Cote d'Ivoire	Eritrea	Niger	Congo, DR.	
Guinea	Uzbekistan	Guinea-Bissau		Republic	Republic				Sierra Leone	
Kiribati		Kenya		Congo, DR.	Djibouti	Djibouti	Kenya			
Lesotho		Niger		Guinea	Ghana	Ghana	Korea, DPR			
Pakistan				Niger	Guinea	Guinea-Bissau	Madagascar			
				Pakistan	Kenya	Haiti	Niger			
				Sudan	Kiribati	Kenya	Pakistan			
					Kyrgyzstan	Lesotho	Uganda			
					Pakistan	Pakistan				
						Papua New Guinea				
						Sierra Leone				
						Solomon Islands				
						Sudan South				
						Zimbabwe				
						Tanzania				
						Uganda				
						Vietnam				
						Zimbabwe				

2013: DRC was not considered in default based on the tailored approach provisions. For CAR a waiver had been approved.

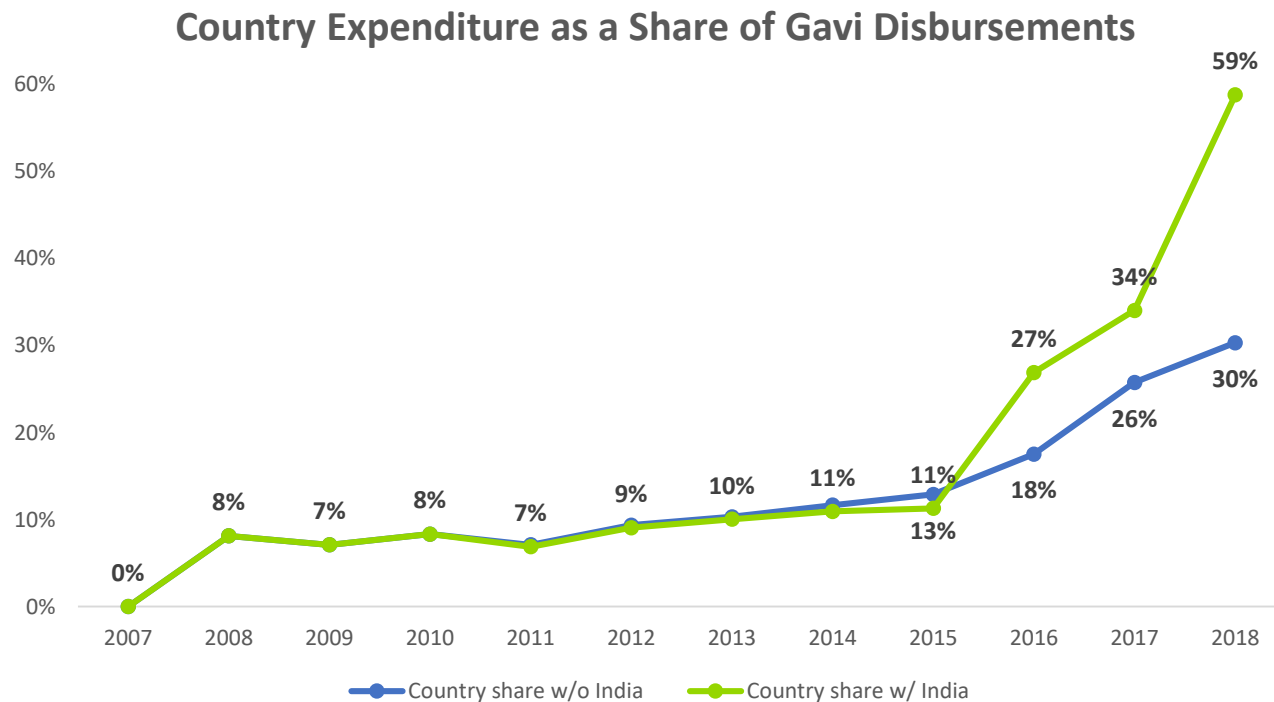
2014: The Board approved a waiver Guinea and Sierra Leone due to Ebola

2015 : Co-financing requirements for Guinea, Liberia, and Sierra Leone due to Ebola. South Sudan and Yemen received a waiver as well.

2016 : Yemen and South Sudan received a waiver.

2017: South Sudan co-financing requirements have been waived until 2020. Congo DRC opted for a payment plan.

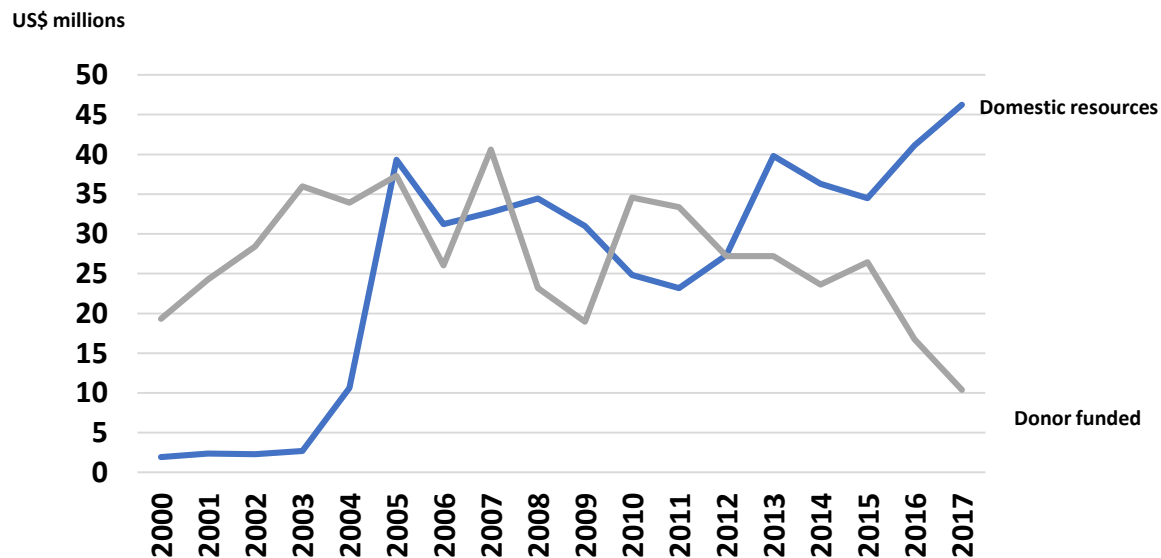
... leading to an increasing proportion of country financing vis-à-vis Gavi vaccine financing.



Note: Gavi expenditure based on co-financing of Penta, PCV, Rota, MR, HPV, YF and MenA vaccines. Includes estimates for vaccines that are fully self-financed.

Wider impact: Co-financing has helped to increase financing for other vaccine programmes

Domestic financing for non-Gavi vaccines has increased between 2000 and 2017



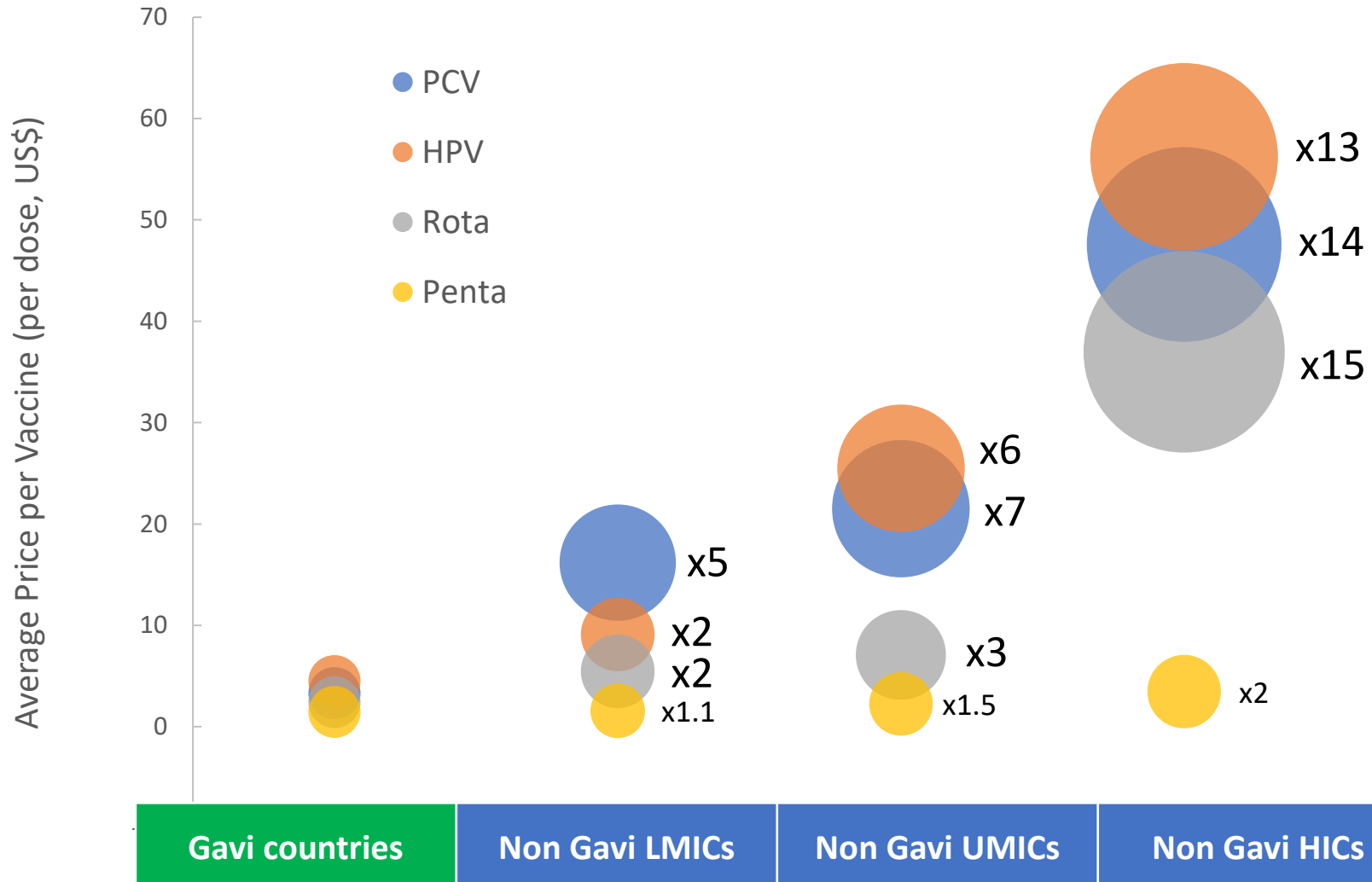
Source: UNICEF Supply Division

Note: Gavi-supported countries procuring through UNICEF: funding for non-Gavi supported vaccines (without OPV)

Pricing commitments are direct commitments between manufacturers and countries

- Manufacturer pricing commitments are ‘public announcements’ made during the last Gavi replenishment, they are not legally binding.
- Although the Alliance facilitated the creation and operationalisation of these commitments, Gavi was not involved in defining their conditions.
- These commitments are from manufacturers to countries and can not be guaranteed by Gavi; ultimately the decision lies with individual manufacturers.
- We however recognise the need for visibility on price is very important when countries transition, and thus the Market Shaping team has made an attempt to clarify these commitments for **informational purposes**.
- This information is meant for the convenience and benefit of Gavi Country Programme’s staff and countries **and should not give a false sense of assurance that Gavi is “guaranteeing” prices, and that prices are determined for every single product and country.**

Gavi's "Access To Appropriate Pricing" (ATAP) serves as a bridge towards healthier markets



Overview of manufacturer price commitments for fully self-financing Gavi countries

Vaccine	Manufacturer	Commitment Duration	Summary of Conditions
Rotavirus	GSK	10 years*	Country introduced with Gavi support*** Country already using GSK product Procurement through UNICEF/PAHO
	Merck	Till end of 2025	Country had GNI per capita \leq US\$ 3,200 in 2013 Procurement through UNICEF/PAHO
Human Papillo-mavirus	GSK	10 years*	Country introduced with Gavi support Country already using GSK product Procurement through UNICEF/PAHO
	Merck	Till end of 2025	Country had GNI per capita \leq US\$ 3,200 in 2013 Procurement through UNICEF/PAHO
Pneumo-coccal	GSK	10 years*	Country introduced with Gavi support Country already using GSK product Procurement through UNICEF/PAHO
	Pfizer	Till end of 2025	Procurement through UNICEF
Pentavalent	Biological E	Till end of 2019**	Country introduced with Gavi support Procurement through UNICEF
	Panacea	5 years*	Country introduced with Gavi support Procurement through UNICEF/PAHO

* From date of transition to fully self-financing, where the country receives no Gavi support

** Commitment valid for 5 years from 1 January 2015, till end of year 5 or 2019, whichever is earlier

*** Gavi support = country and Gavi co-financing for most of manufacturers

Key aspects to note on manufacturer price commitments for fully self-financing Gavi countries

- **Procurement through UNICEF/PAHO is mandatory**, unless otherwise specified.
- **New presentations of the same vaccines or new vaccines will be evaluated** for inclusion in the commitment as they become available.
- **Commitments were not negotiated by Gavi**, they were offered by manufacturers. There is no process for renewal or extension of current commitment terms. If manufacturers approach Gavi regarding renewal or extension, the information will be communicated appropriately.
- **More details** can be found in the manufacturer price commitment FAQs in summary PDF on Gavi's website:
<http://www.gavi.org/library/gavidocuments/supply-procurement/vaccine-price-commitments-from-manufacturers/>

Several ongoing initiatives to strengthen capacity on vaccine pricing and procurement

- Knowledge and understanding of vaccine pricing requires time and capacity building at global, regional and national levels.
- Transition and post-transition engagement includes support on vaccine procurement capacity building.
- The Gavi Alliance partners have initiated the following (partly funded by Gavi sustainability SFA funding):

LNCT – Learning Network for Countries in Transition

Development of a vaccine procurement assessment tool (UNICEF)

VPPN - Vaccine Procurement Practitioner Network (UNICEF)
<http://www.vppnetwork.org/>

16 Gavi transitioning country fact-sheets on vaccine prices (WHO)

Development of an e-module on vaccine procurement (UNICEF)

In-country technical assistance (Gavi Alliance)

Accelerated Transition: transfer of not only vaccine financing, but also of recurrent costs - to domestic budgets.

Under the Gavi Health Systems and Immunisation Strengthening (HSIS) policy, countries in the Accelerated Transition, must take over the recurrent costs, funded in previous phases by Gavi, and budget adequate resources to maintain enhanced outreach activities beyond transition.

✓ **Service Delivery**

- Support to outreach and supervision
- Salaries support (per diem, incentive top-ups, etc.)

✓ **Demand**

- Social mobilization
- Advocacy, mass-awareness raising, communication strategy & activities, etc.

✓ **Supply chain**

- Maintenance of Cold Chain Equipment, fuel & transportation

✓ **Data**

- Health Information Systems, data collection & analysis, performance monitoring
- Surveillance

✓ **Leadership, Management & Coordination**

- Support to country management capacities at national and subnational levels;

THANK YOU





Costs of Immunization Programs

Tangerang, Indonesia
July 3, 2019

Logan Brenzel

Uses of Immunization Cost Information

- Planning and budgeting
 - cMYP
 - Immunization budget
- Cost-effectiveness analysis
 - Is a vaccine a good investment?
- Better management of the program
 - Identify spending areas that are higher or lower than expected
 - Emphasize different delivery strategies

Components of Immunization Program Costs

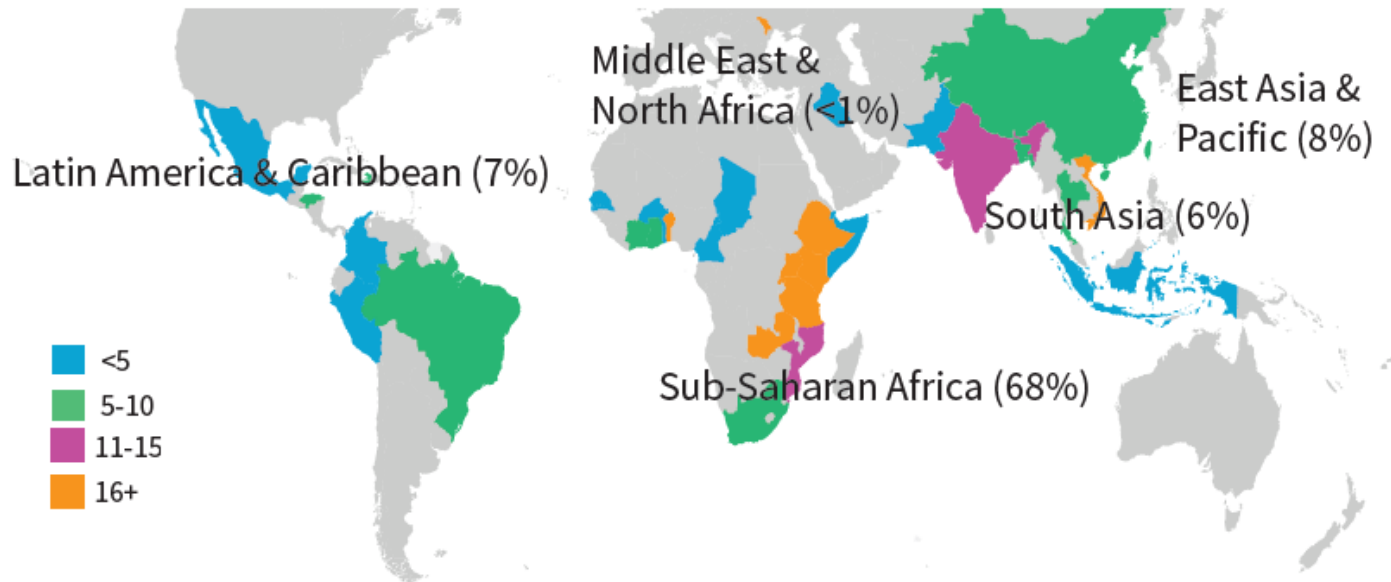
Line Items/Cost Drivers	Activities
<ul style="list-style-type: none"> - Salaried labor - Volunteer labor - Per diem & travel allowances - Vaccines - Vaccine injection and safety supplies - Other supplies - Transport/fuel - Vehicle maintenance - Cold chain energy costs - Printing - Building operation, utilities, communication - Cold chain equipment - Vehicles - Lab equipment - Other equipment - Other capital 	<ul style="list-style-type: none"> - Routine facility-based service delivery - Record keeping, HMIS, monitoring and evaluation - Supervision - Outreach service delivery - Training - Social mobilization & advocacy - Surveillance - Cold chain maintenance - Vaccine collection, dist, storage - Program management - Other

Other Costing Classifications

- **Total Immunization Costs:** sum of all of the components of immunization costs
- **Unit Costs:** Total costs divided by the number of outputs (doses given, targeted children)
- **Delivery Costs:** All program costs except vaccine/syringe costs
- **Fiscal costs:** What a government would need to spend for an immunization program – leads directly to budgets
- **Economic costs:** The full value of all resources used to deliver immunization services, including the value of donated items and health worker time – an input into cost-effectiveness analysis, and often considered the standard way to cost a program
- **Financial costs:** Estimates the value of most inputs using slightly different methods (personnel and capital costs are valued on an annual basis).

Analysis of Immunization Delivery Costs (2019)

GEOGRAPHIC SPREAD (# of unit costs)



There are some cost 'deserts' where no estimates are available.

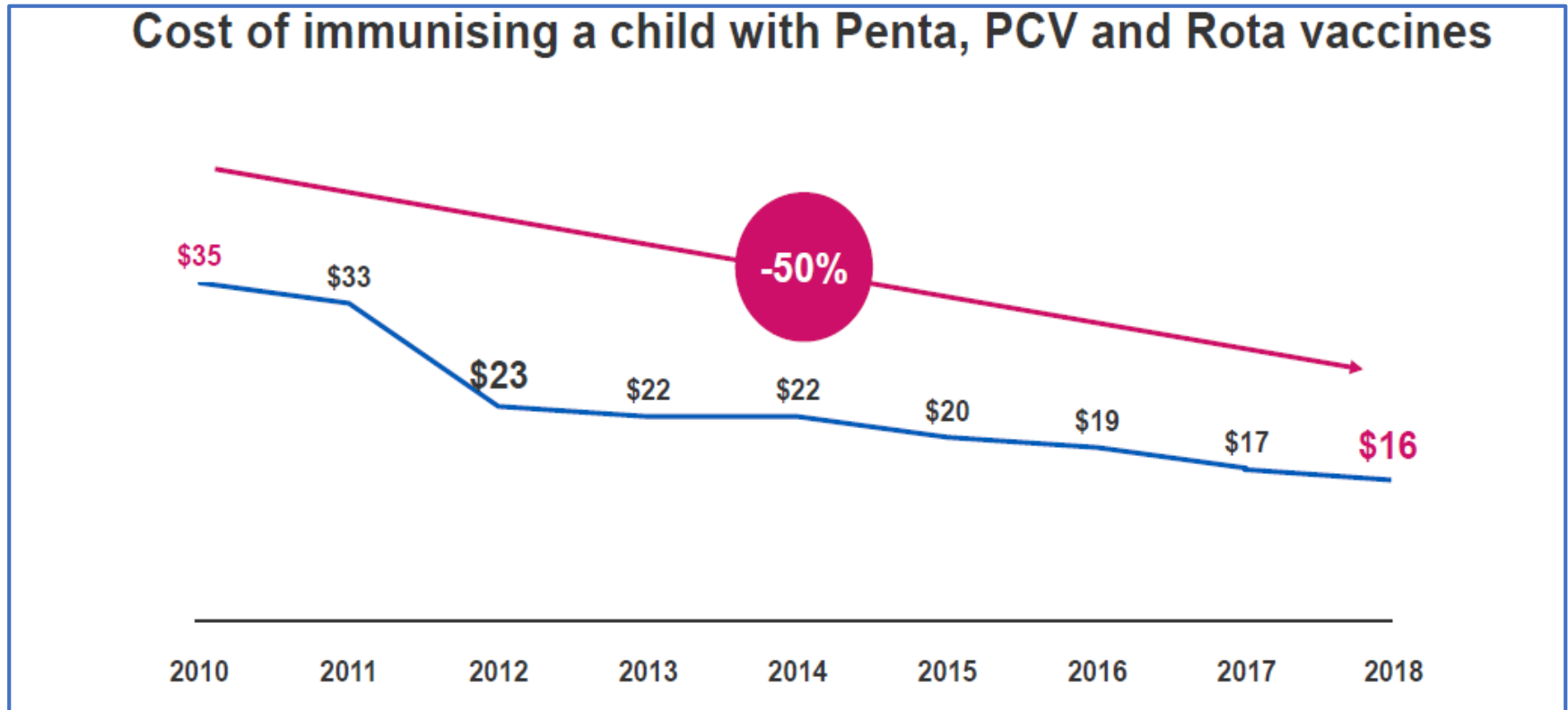
61

DATA SOURCES

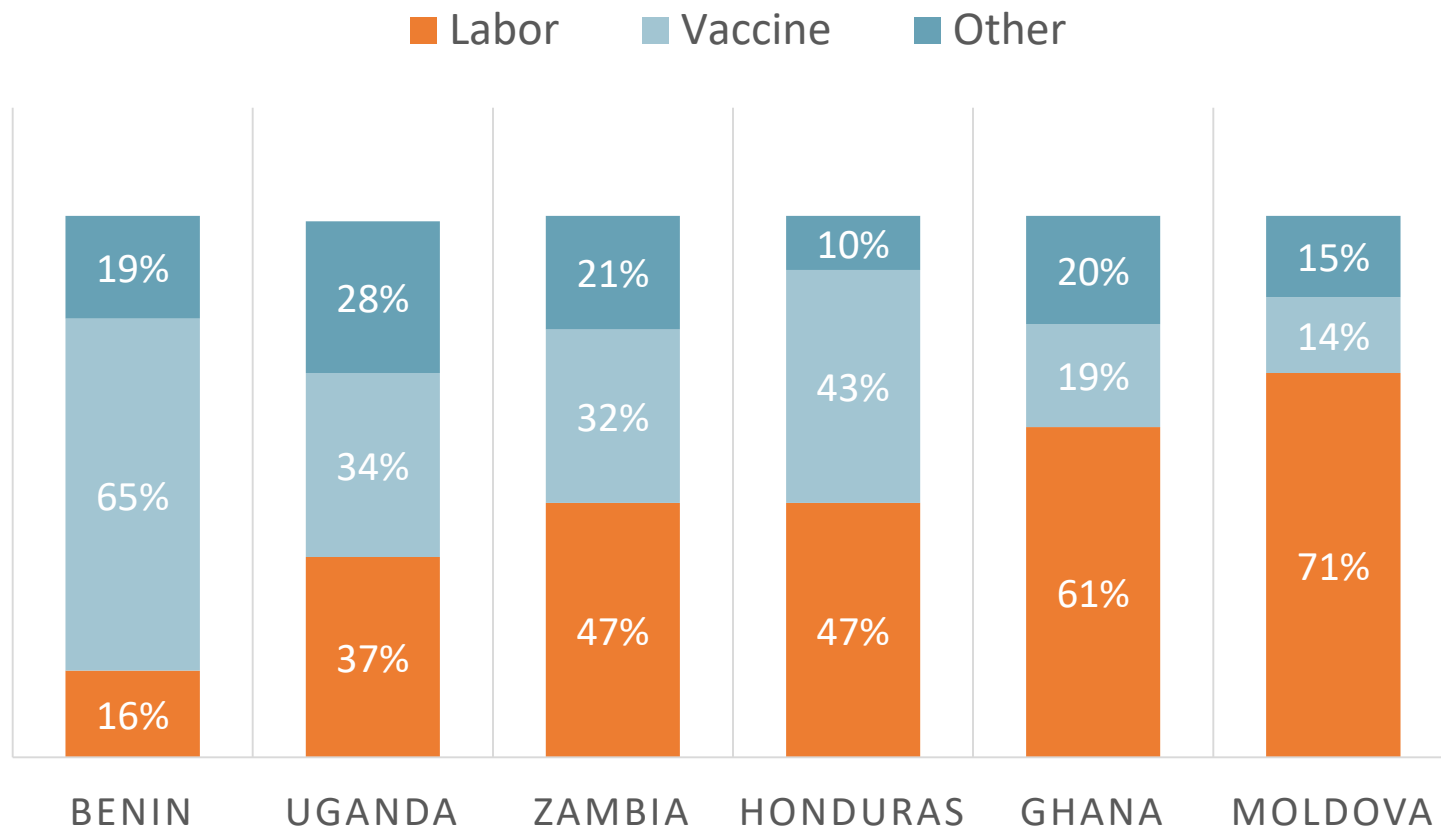
410

IMMUNIZATION
DELIVERY UNIT
COSTS

Vaccine prices are declining which reduces program costs

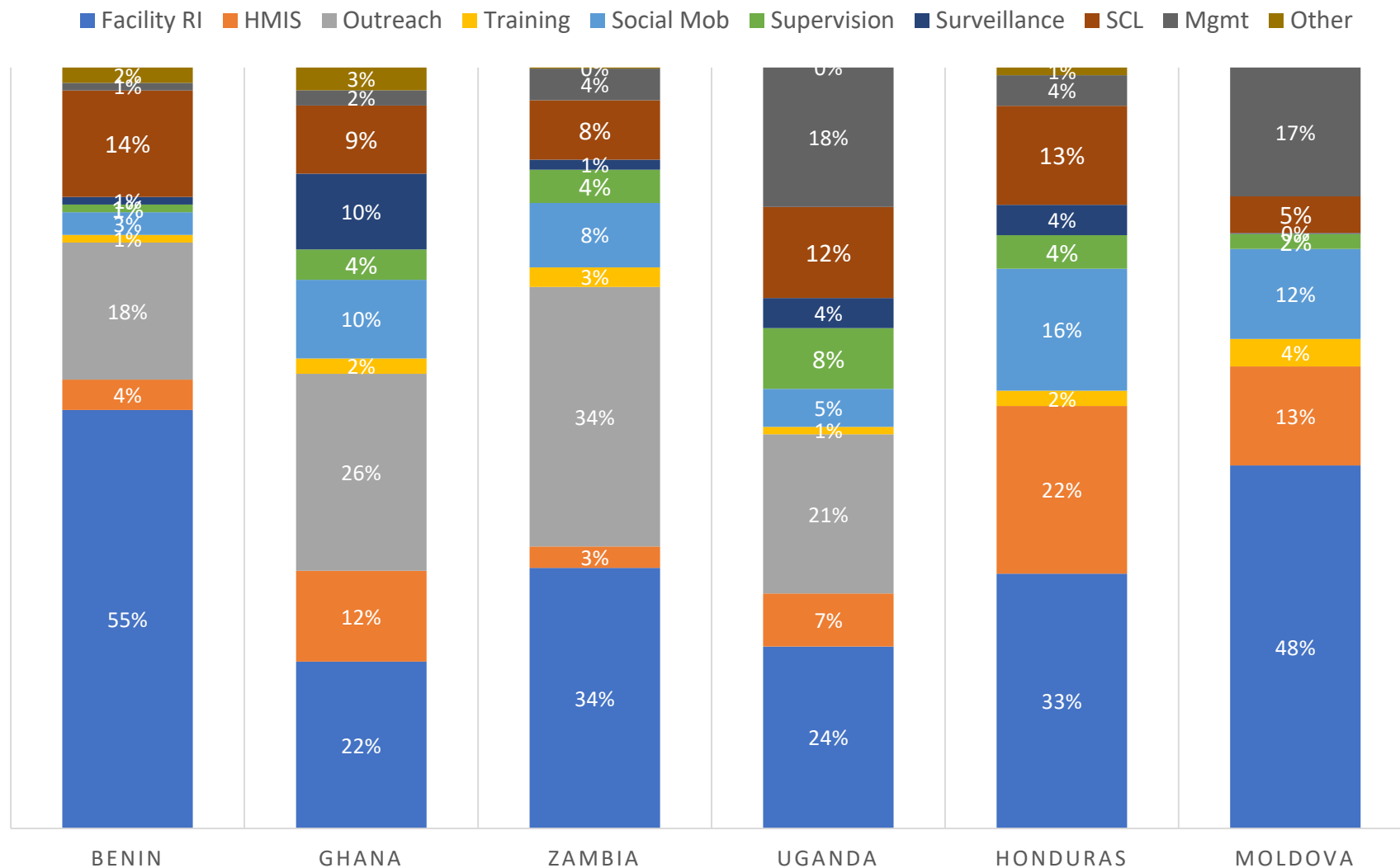


Share of Costs by Category in Selected Countries



Source: Brenzel, L et al. Vaccine 2015.

Share of Costs by Function in Selected Countries

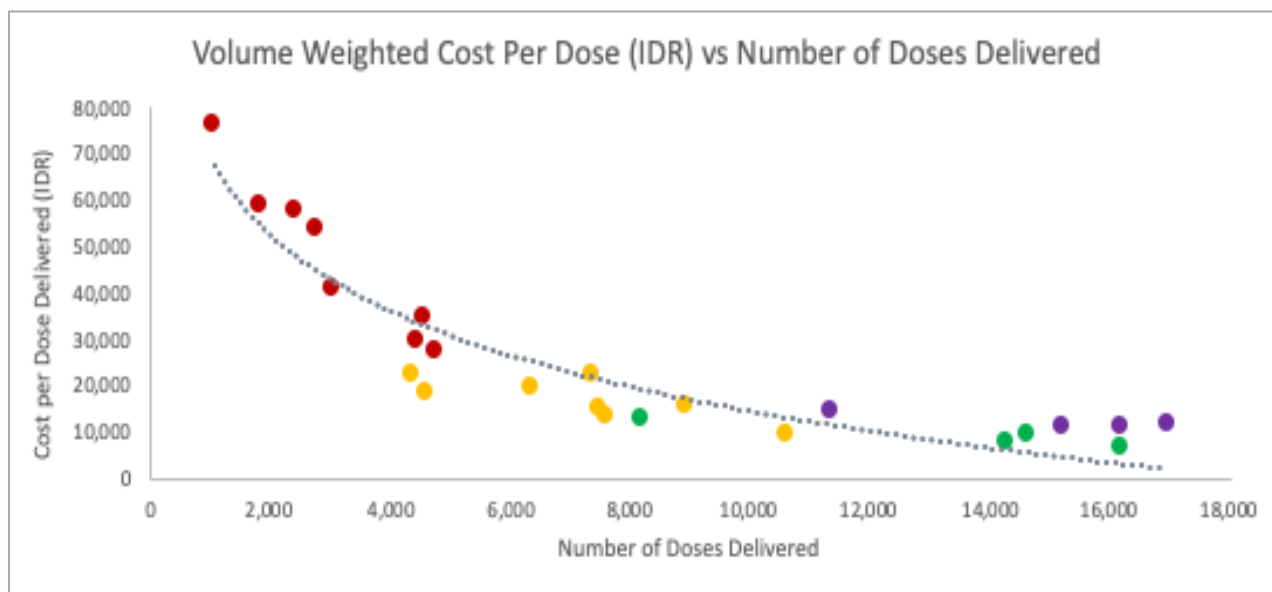


Source: Brenzel, L et al. Vaccine 2015.

What do we Know About Immunization Costs?

- Delivery cost per dose is about \$2.50 on average.
 - Delivery costs approximately 40% of total costs (depending upon vaccine schedule)
- HR is a major cost driver of delivery cost
 - Shares of critical program elements are relatively small: training, social mobilization, surveillance, and cold chain maintenance
 - Vaccine unit prices are declining but costs increase as more vaccines are introduced
- There is significant variation in costs within and between countries
 - Different strategies have different costs: routine facility costs lower than outreach and campaigns
 - Rural facilities have lower costs but also lower quality and lower levels of activity: higher unit costs
 - Higher income countries have higher costs: wage rates

How Will Costs Change in the Future?



- As the number of doses increases, unit costs of the program decline
- **Immunization costs need to be part of any benefits package**
- Costs of immunization programs likely to grow
 - New vaccines may be more expensive per dose
 - Costlier to reach remote or unserved populations to achieve coverage and equity
 - More intensive efforts
 - New strategies & technologies

Open www.immunizationeconomics.org/ican

Immunization Delivery Cost Catalogue (IDCC)

AVAILABLE AT WWW.IMMUNIZATIONECONOMICS.ORG/ICAN

DOWNLOAD EXCEL IDCC

GO TO METHODOLOGY

DOWNLOAD SUMMARY REPORT

GO TO DELIVERY UNIT COST ESTIMATES

IMMUNIZATION DELIVERY COST CATALOGUE (IDCC) - WEB VERSION

Last updated April 2018

Includes articles/reports from January 2005 – January 2017

Recommended citation: Immunization Costing Action Network (ICAN). 2018. *Immunization Delivery Cost Catalogue*. Washington: ThinkWell.

Select Countries and Characteristics (Filter Tool)

Country	Region	Income level	Vaccine	Delivery strategy
<input checked="" type="checkbox"/> All <input type="checkbox"/> Bangladesh <input type="checkbox"/> Benin <input type="checkbox"/> Bhutan	<input checked="" type="checkbox"/> All <input type="checkbox"/> East Asia and Pacific <input type="checkbox"/> Europe and Central Asia <input type="checkbox"/> Latin America and Caribbean	<input checked="" type="checkbox"/> All <input type="checkbox"/> Low income <input type="checkbox"/> Lower middle income <input type="checkbox"/> Upper middle income	<input checked="" type="checkbox"/> All <input type="checkbox"/> BCG <input type="checkbox"/> DT <input type="checkbox"/> DTP	<input checked="" type="checkbox"/> All <input type="checkbox"/> Campaign <input type="checkbox"/> Child health day/week or national immunization day/week

Reset all

Your Selection Summary

Total records: 191
Records selected: 191
Number of countries: 31
Number of delivery strategies: 7

Your Selections

Countries: All
Regions: All
Country income level: All
Vaccines: All
Delivery strategies: All

Your Records

Show 10 records

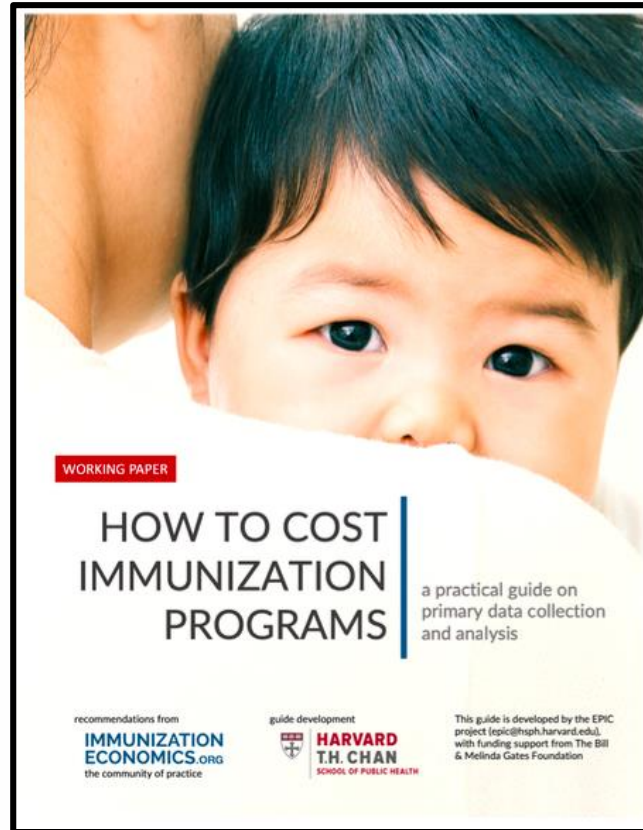
Download Your Dataset

Search:

Country	Region	Country income level	Vaccines costed	Delivery strategies	Target delivery population	Economic, financial, or fiscal costs	Full or incremental costing	Startup and / or recurrent / ongoing costs	Excluding Vaccine Cost (2016 USD)			
									Cost per capita	Cost per dose	Cost per person in target population	Cost per fully immunized child *
<input checked="" type="radio"/> Bangladesh	South Asia	Low income	OCV	Campaign	Other: cholera high-risk individuals (excluding under 1s and pregnant women)	Financial	Full	Both introduction/startup and recurrent/ongoing	---	\$0.99	---	\$2.13
<input checked="" type="radio"/> Bangladesh	South Asia	Low income	OCV	Campaign	Other: cholera high-risk individuals	Economic	Full	Both introduction/startup and recurrent/ongoing	---	---	---	\$2.18

Additional Guidance on how to Cost Immunization Programs

- Practical guide
- Focus on data collection and analysis



www.immunizationeconomics.org

Thank you

Merci beaucoup

Muito obrigado

Спасибо



LNCT

Learning Network for
Countries in Transition

Routine Immunization Expenditures and Gaps

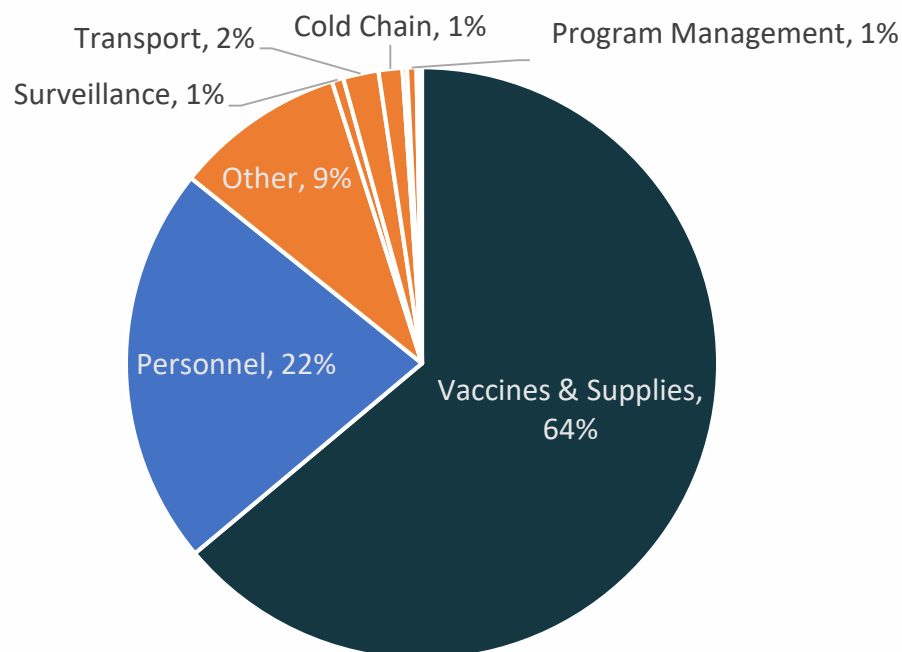
Summary of LNCT country data

Tangerang, Indonesia
July 2019

Leah Ewald

How do LNCT countries spend their routine immunization funds?

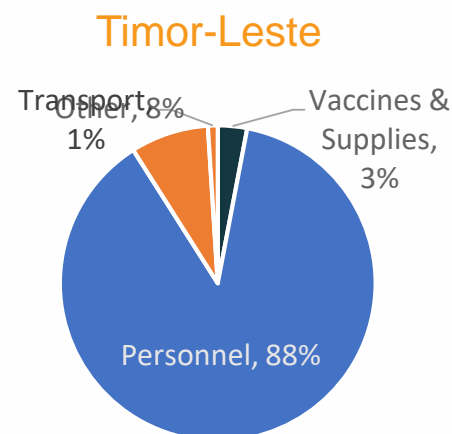
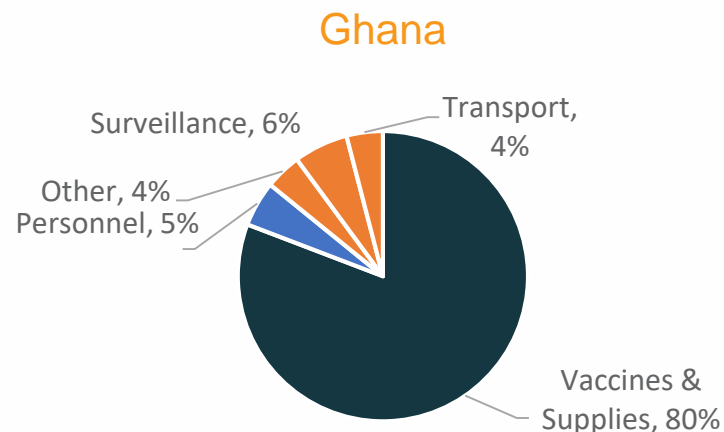
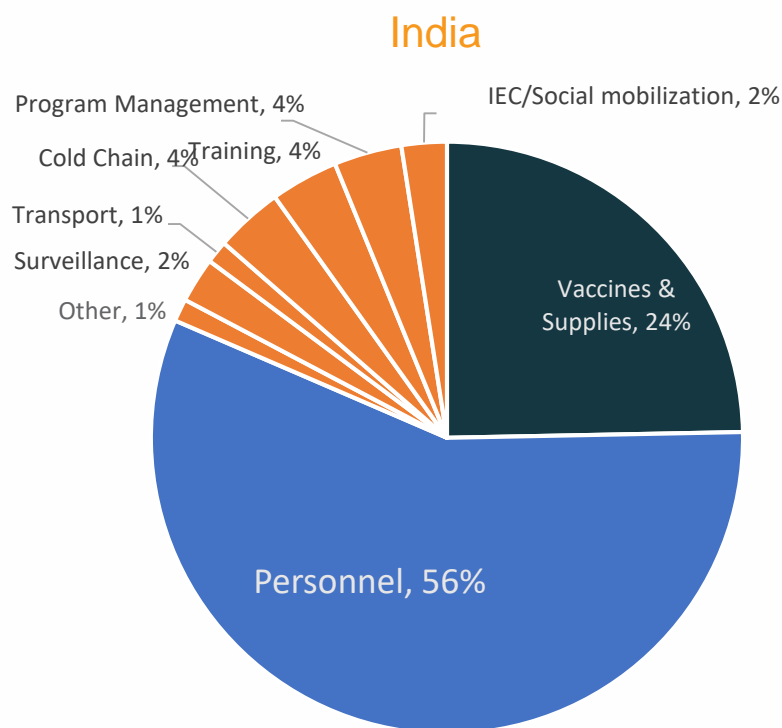
On average, LNCT countries spend the most on vaccines/supplies and personnel.



Source: Spending proportions for line items named by countries in 2019 LNCT Networkwide Meeting posters Nigeria not included due to lack of data on vaccines and supplies.

How do LNCT countries spend their routine immunization funds?

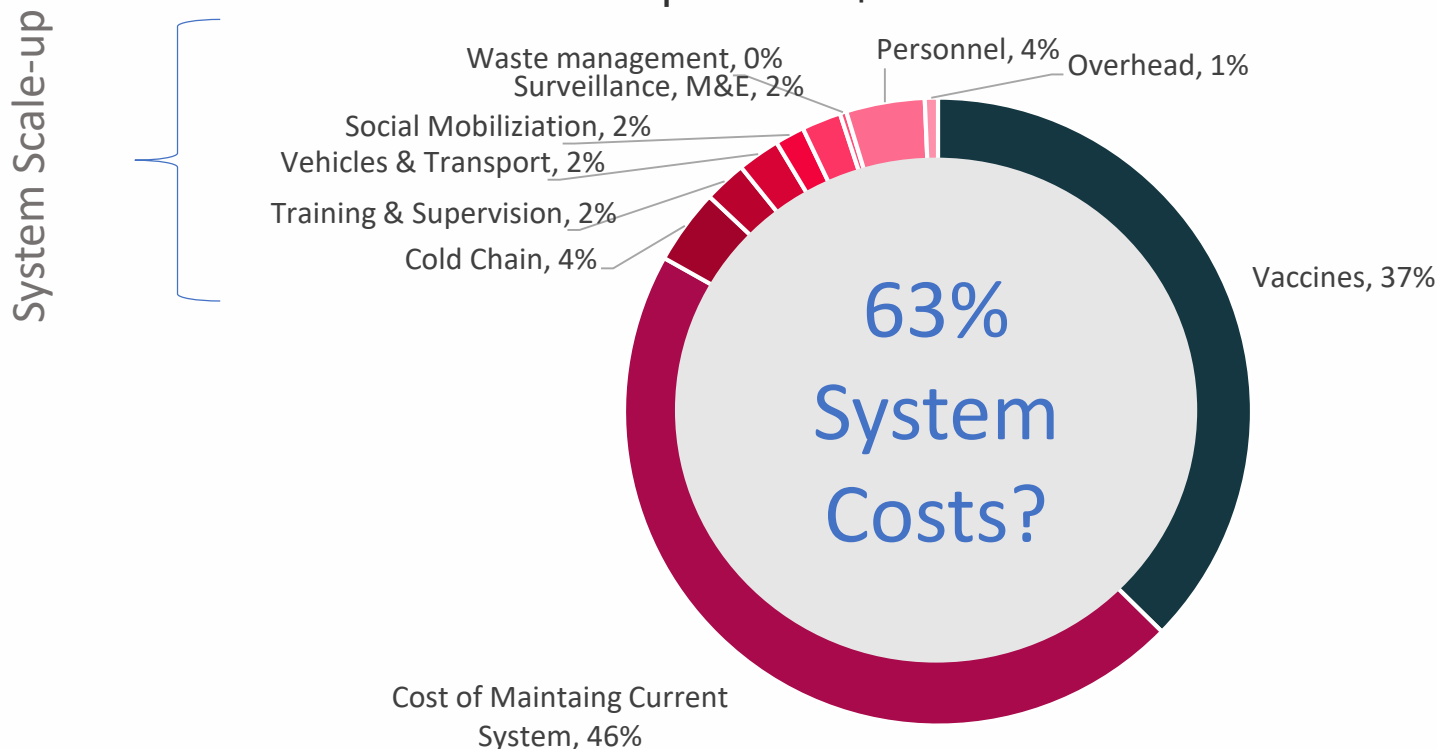
But the proportions vary.



Source: Spending proportions for line items named by countries in 2019 LNCT Networkwide Meeting posters.

What expenditure is needed to ensure high performance?

- In 2008, it was estimated that to achieve the WHO-UNICEF GIVS goal of reducing vaccine preventable diseases by 2/3 by 2015, Gavi-eligible countries would need to spend **US\$35 billion**.



Source: <https://www.who.int/bulletin/volumes/86/1/07-045096.pdf?ua=1>

Examples of items covered by Gavi HSS grants

Congo

Building construction & repair
Microplan development
Community assemblies
Organizing outreach
Advocacy for cold chain maintenance
Computer equipment
Data quality self-assessments
Mass texts
Management tools

Sudan

PHC infrastructure
Supervision
Training on cold chain and waste management
HIS training for HWs
CSO partnership enhancement
Human resource incentive package
Managerial & teaching capacity of training institutions

India

Trainings for technicians & logistics managers
HR support to manufacturers
Training and printing for eVIN
Salaries for field monitors
Nat'l review meetings for surveillance
Spokesperson training for AEFI
Mothers' meetings

Illustrative LNCT countries' funding gaps for 2020

Line item	2020 Budget (Gap)		
	Timor-Leste	Lao PDR	Nigeria
Vaccines & Supplies	\$1.0m (\$229,022)	? (\$558,216)	\$209m (\$100m)
Personnel	\$18.3m (\$1.0m)	? (\$1.7m)	
Other	\$7.5m (\$0)	? (\$436,585 excess)	
Transport	\$0 (\$360,000)	? (\$1.7m)	
Cold Chain/HSS			\$24.6m (?)
Infrastructure			
Communication/Advocacy			\$5.5m (?)
Program Admin/Leadership			\$3.4m (?)
Logistics	\$3.4m (\$0)	? (2.0m)	\$6.3m (?)
Service Delivery			\$2.4m (?)
Data management			\$2.1m (?)

Source: Gaps named by countries in 2019 LNCT Networkwide Meeting posters.

What's missing?

As LNCT countries look forward to transition, are there important gaps we are not considering either because they are currently covered by donors or we are not budgeting for them at all?

What's missing?

As LNCT countries look forward to transition, are there important gaps we are not considering either because they are currently covered by donors or we are not budgeting for them at all?

- Cold chain maintenance
- Training
- Infrastructure
- Health promotion
- Education/Communication

Want to see more financial data?

Check out LNCT's transition dashboards!

Available in your participant books and at lnct.global

Health & Immunization Financing Data Across LNCT Countries



Thank you!