

The power of innovation to save lives



The challenge

"Life or death for a young child too often depends on whether he is born in a country where vaccines are available or not."

Nelson Mandela
Former President of South Africa
Chairman Emeritus, the GAVI Alliance

Funding immunisation in the developing world

In the developed world, protection from disease through immunisation is taken for granted. But every year in poorer countries, some 19 million children miss out on vaccinations against the most common diseases, making them vulnerable to sickness, disability and death.

As a result, every year, 1.7 million children die from easily-preventable diseases such as diphtheria, pneumonia, diarrhoea and yellow fever – a massive and inexcusable loss of human potential.

Many more lives could be saved if vaccines currently available in developed countries were equally available to children in developing countries. Vaccines also lead to healthier, more productive societies and long-term economic growth.

One of the main reasons for this global failure is a lack of predictable funding that allows developing countries to plan and implement programmes to protect and improve their children's health.

GAVI's use of innovative finance is saving lives

GAVI's mission is to save children's lives and protect people's health by increasing access to immunisation in poor countries. To that end, GAVI has become a trailblazer in developing innovative methods to finance health programmes.

GAVI's innovative finance initiatives play an important role in helping it secure predictable and flexible long-term funding for immunisation and health system strengthening programmes. GAVI has pioneered three such mechanisms:

- The International Finance Facility for Immunisation (p. 9)
- The GAVI Matching Fund (p. 11)
- The Advance Market Commitment (p. 13)

"Innovative Finance is about raising more money for health and providing more health for the money. It is about the efficient mobilisation and application of life-saving funds through creativity and partnership."

Seth Berkley
CEO
The GAVI Alliance



The benefits

Predictability, visibility and sustainability

Innovative finance programmes help GAVI increase the predictability, visibility and sustainability of financing for immunisation. This speeds introduction and expansion of vaccine programmes and makes them more efficient, saving more lives. This helps GAVI:

- **Diversify its funding portfolio:** Innovative finance initiatives attract capital from a variety of public and private sources.
- **Add know-how:** Innovative finance also provides expertise – such as technology, advocacy and visibility – that can help GAVI overcome obstacles.
- **Support the needs of country partners:** Innovative finance models help match the capacity and preferences of funders with the needs of implementing countries to rapidly scale-up vaccine coverage.
- **Provide predictable and flexible resources:** This supports multi-year programmes that fundamentally improve health care services. Flexibility allows GAVI to draw resources as funding constraints emerge, avoiding programme disruption.
- **Shape markets:** GAVI's use of innovative finance helps meet country demand, grow markets, attract vaccine manufacturers and reduce prices.

Donor commitments to IFFIm

As of April 2013, the total amount of donor commitments to IFFIm was US\$ 6.3 billion¹



United Kingdom

US\$ 2.98 billion over 23 years²



France

US\$ 1.72 billion over 20 years



Italy

US\$ 635 million over 20 years



Norway

US\$ 264 million over 15 years



Australia

US\$ 256 million over 20 years



Spain

US\$ 240 million over 20 years



The Netherlands

US\$ 114 million over 8 years



Sweden

US\$ 38 million over 15 years



South Africa

US\$ 20 million over 20 years



Brazil

US\$ 20 million over 20 years³

¹ IFFIm pledges are expressed in US\$ equivalent amounts of national currency calculated using prevailing exchange rates around the time each grant agreement is signed.

² The UK has also agreed to match US\$ 54 million in new pledges from Italy and Brazil.

³ Brazil's grant agreement is pending.

The International Finance Facility for Immunisation

Flexible financing provides funds when needed

IFFIm was created in 2006 to rapidly accelerate the availability and predictability of funds for GAVI's immunisation programmes. This has enabled GAVI to nearly double its programme spending.

IFFIm uses US\$ 6.3 billion in long-term donor pledges to support the issuance of vaccine bonds on the capital markets. These pledges have enabled IFFIm to raise about US\$ 3.85 billion from investors, helping GAVI shift predictable donor funding through time.

This affords GAVI great flexibility, allowing it to access funds when needed most, not only when disburseable by GAVI's donors.

The money raised from investors helps fund GAVI programmes to meet immediate country demand for vaccines. This ensures a near-term positive impact on public health that strengthens and protects future generations.

This enhances the efficiency of GAVI's operations and provides predictability for countries' vaccine programmes, as noted in an independent evaluation of IFFIm in 2011 (see www.iffim.org).

"GAVI is delivering on its promise of providing reliable, long-term and stable funding for children's vaccination."

Ban Ki-moon,
UN Secretary-General

“This partnership has the potential to save millions of children’s lives in some of the world’s poorest countries.”

Vodafone CEO Vittorio Colao

Public-private partnerships add expertise, funds and visibility

The GAVI Matching Fund provides businesses and foundations a way to help GAVI fulfil its mission by bringing their resources to bear on immunisation programmes.

Under the initiative, the British Government and the Bill & Melinda Gates Foundation have collectively pledged approximately US\$ 130 million to match contributions from corporations, foundations, their customers, employees and business partners.

In just the first 18 months, GAVI attracted to the Matching Fund nine partners that helped raise US\$ 84 million for GAVI programmes.

Private sector involvement means not just financial contributions, but also application of core business skills and products – such as supply chain expertise, technology and advocacy – to help GAVI overcome roadblocks in providing vaccines to the world’s poorest children and to enhance the efficiency of GAVI’s operations.

The GAVI Matching Fund is an example of what can be achieved when governments, corporations, foundations and the general public work together to address issues such as inequity in the availability of vaccines for children. It is public-private partnership at its best, bringing the private sector into the heart of addressing an important development challenge.

Donor commitments to AMC



Italy

US\$ 635 million



United Kingdom

US\$ 485 million



Canada

US\$ 200 million



The Russian Federation

US\$ 80 million



Norway

US\$ 50 million



US\$ 50 million



“Supporting children’s immunisation is undoubtedly the best investment we’ve ever made.”

Bill Gates
Co-chair of the
Bill & Melinda Gates Foundation

The Advance Market Commitment (AMC)

Accelerating global rollout of pneumococcal vaccine

Each year, pneumococcal disease takes the lives of an estimated 500,000 children under age five, making it the leading vaccine-preventable cause of death among young children.



The most effective way to prevent these deaths is to ensure access to effective, safe and affordable vaccines.

The Advance Market Commitment (AMC) for pneumococcal vaccine is designed to protect children against pneumococcal disease.

The AMC uses US\$ 1.5 billion in donor purchase commitments to incentivise production of suitable vaccine. In exchange, suppliers provide the vaccines at a pre-agreed long-term price to developing countries. This ensures sufficient quantities are produced at a fraction of the price paid by industrialised countries.

Developing countries then are able to plan for immunisation programmes knowing that vaccines will be available. By May 2013, 51 countries had been approved to introduce pneumococcal vaccines and 30 had rolled it out. This pilot AMC is forecast to prevent more than 1.5 million childhood deaths by 2020.

GAVI: Innovative, efficient and responsible

The GAVI Alliance has helped immunise more than 370 million children since it was founded in 2000, saving more than 5.5 million lives.

GAVI's innovative finance initiatives have played an important role, increased the predictability and flexibility of funding, shaping markets and making vaccine programmes even more effective.

For example, an independent evaluation of IFFIm by consulting firm HLSP strongly commended its financial model and health care results, adding that IFFIm has generated "extremely good returns." GAVI also has been rated in multilateral aid reviews by the UK, Australia and Sweden as among the most effective and well-run international organisations.

Vaccines are proven, powerful and safe, with immunisation one of the most cost-effective ways of improving living standards, health and the global economy.

"GAVI has a clear and critical role, delivering some of the most cost-effective health interventions. It demonstrates tangible results and is innovative."

UK Multilateral Aid Review, 2011



The GAVI Alliance is a public-private global health partnership committed to saving children's lives and protecting people's health by increasing access to immunisation in poor countries. The Alliance brings together developing country and donor governments, the World Health Organization, UNICEF, the World Bank, the vaccine industry in both industrialised and developing countries, research and technical agencies, civil society organisations, the Bill & Melinda Gates Foundation and other private sector partners. Since it was launched at the World Economic Forum in 2000, GAVI has prevented more than 5.5 million future deaths and helped protect 370 million children with new and underused vaccines.

www.gavialliance.org

1776 I (Eye) Street, NW
Suite 600
Washington DC 20006
USA
Tel. + 1 202 478 1050
Fax + 1 202 478 1060

2 Chemin des Mines
CH -1202 Geneva
Switzerland
Tel. + 41 22 909 6500
Fax + 41 22 909 6555

www.gavialliance.org
info@gavialliance.org

Published May 2013

Photo credits: Cover: UNICEF/Nyani Quarmyne/2012. Page 2: UNICEF/Noorani/2010.
Page 4: GAVI/2012/Olivier Asselin. Page 6: UNICEF/Dean/2008. Page 10: UNICEF/
Piozzi/2008. Page 12: GAVI/Olivier Asselin/2012.