

Annex D - Illustrative financial implications

- 1.1 The application of certain flexibilities could have financial implications, for example additional HSS support in the case of an emergency, waiving of co-financing requirements for refugees or additional technical support under the Partners' Engagement Framework (PEF) as illustrated below. Overall, the financial implications of the policy are expected to be limited.
- 1.2 Experience has shown that in most cases of fragility or emergencies, countries have reduced capacity to absorb grants and need more time to spend existing support rather than additional funding. To date, the only case where an emergency resulted in an immediate need for additional Gavi resources was the Ebola outbreak, when increased HSS support was approved by the Board for the affected countries. Other responses to emergencies or to fragility situations have to date been catered for through reprogramming of existing grants. If in the future an emergency situation arises where additional HSS support by Gavi would be needed to address an urgent need, up to 50% of the HSS ceiling may be granted in additional funding (within the Board-approved envelope). The median HSS ceiling for Gavi countries is US\$ 14 million. If a country with this ceiling experienced a major emergency requiring rapid rebuilding of destroyed health systems as was the case in the Ebola-affected countries, a proposal for additional support of up to US\$ 7 million could be submitted for review by the IRC or HLRP. Any amount above 50% of the ceiling would require a Board decision.
- 1.3 Three Gavi countries host more than 500,000 refugees, 13 countries host between 100,000-500,000 refugees, while the remainder (48) host fewer than 100,000 refugees. By default, Gavi would promote and encourage integration of refugees into regular programmes by the host government in line with the Refugee Convention. If Gavi were to waive co-financing for a medium-sized, preparatory-transition country with a refugee population of 500,000, this could amount to US\$ 50,000 for a full schedule of Gavi-supported vaccines for children.
- 1.4 Countries identified as facing fragility for the purpose of this policy would be added to PEF Tier 2, enabling access to additional Targeted Country Assistance if there was a need for such additional support. Based on current projections of countries to be identified as facing fragility and of utilisation rates of PEF TCA funding, it is foreseen that such additional costs could be absorbed within the PEF budget.
- 1.5 Implementation of this policy will be mainstreamed in existing country engagement processes and no additional costs for human resourcing in the Secretariat is foreseen.