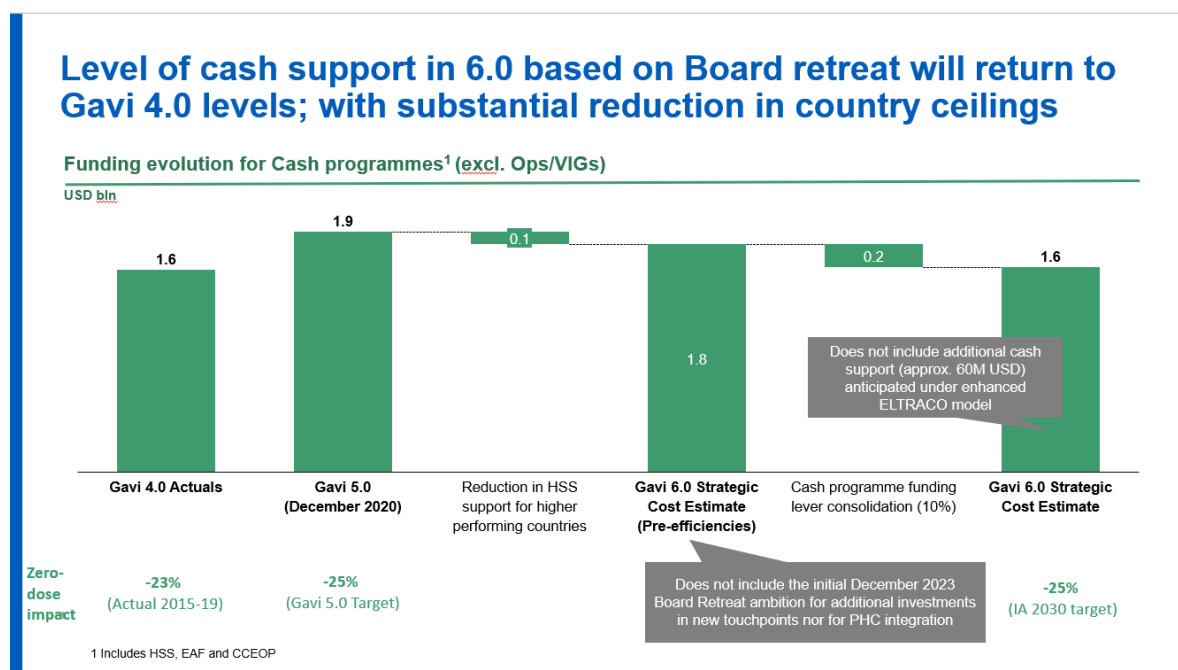


Annex B: Gavi 6.0 cash funding and implications for countries

In Gavi 6.0 funding for ‘other cash-based programmes’, defined as the support that has historically been provided for health systems through HSS, CCEOP, and EAF funding levers, may be reduced by approximately 15% from the originally planned Gavi 5.0 level, based on the indicative guidance from the Board during its April 2024 retreat¹. This reduction is driven by two factors (and illustrated in the slide below):

1. Efficiencies in the use of Gavi’s cash grants through the anticipated consolidation of funding levers, with the expectation this will allow countries to plan more strategically, better allocate resources and reduce duplication between funding levers. Costing for Gavi 6.0 assumed this will allow countries to achieve the same results with a 10% lower ceiling.
2. Board guidance to reduce support for higher performing countries.

In addition, the Board chose not to make additional investments in health systems to strengthen touchpoints beyond infancy or strengthen delivery of integrated primary healthcare services as part of the zero-dose agenda.



These calculations do not yet reflect changes to the eligibility, transition and co-financing (ELTRACO) policy which may mean countries becoming newly eligible or having an extension of eligibility for HSS support in Gavi 6.0. This is partially accounted for within the costing of the proposed changes to the ELTRACO policies but early analysis based on the PPC recommendations suggests that some share of these changes would also need to be

¹ Actual disbursement has been lower than planned due to disruption caused by the COVID-19 pandemic but this was more than offset by US\$ 1 billion in COVID-19 delivery support projected to be disbursed in Gavi 5.0 / 5.1. This has been used to fund many health systems priorities including cold chain equipment; demand-side interventions; strengthening leadership management and coordination; and service delivery including for the Big Catch-Up. If CDS is included, the reduction in available resources is significantly larger.

accommodated within the core HSS envelope, potentially further reducing ceilings for currently eligible countries.

The impact of this reduction in the size of the envelope will be exacerbated by the fact that many countries will be carrying over unspent funding from Gavi 5.0 due to underspend caused by pandemic-related disruptions (including due to the Board-approved extension in the use of EAF funding until 2027)². This underspend will draw down against the US\$ 1.6 billion funding envelope³ available in Gavi 6.0 and means that countries will be spending at a relatively higher rate at the start of the strategic period, as they catch up on delayed programming. As a result, without deliberate reprogramming / rephasing, health systems expenditure will likely be frontloaded in the Gavi 6.0 period and the Secretariat's initial estimates suggest that countries will face a ~25% drop in their funding ceiling on average when they transition from their current HSS grant to their next one⁴.

The reduction to country ceilings will pose a risk to countries, especially those that rely on Gavi funding to support basic operations of the immunisation programme including those in fragile and conflict settings and the lowest-income countries (especially given current macro-fiscal challenges and growing birth cohorts in many of these countries requiring health systems to immunise more children each year simply to maintain coverage). In Gavi 5.0/5.1 countries were able to leverage COVID-19 Delivery Support funding to support HSS-related activities. This funding will not be available in the next period.

² The Secretariat currently estimates that Gavi will carryover an estimated US\$ 750 million in Gavi 5.0/5.1 HSS and EAF-related commitments into 6.0. Of this, approximately US\$ 500 million was originally due to have been spent in Gavi 5.0 / 5.1 but implementation has been delayed (the balance of funding was the tail end of grants approved in Gavi 5.0 / 5.1 that was always due to be implemented in Gavi 6.0).

³ This number does not include additional cash support that may be made available to countries as a result of changes in the eligibility, transition and co-financing policies. This is currently estimated to be ~US\$ 60 million.

⁴ HSS cycles are different for each country based on when they choose to apply. A record number of countries applied for HSS in 2023 so those countries will have grants that start in 2023 or 2024 and expire in 2027 or 2028.