

Annex A: Implications/Anticipated impact

- **Risk implication and mitigation, including information on the risks of inaction**

Gavi's innovative Eligibility, Transition and Co-financing (ELTRACO) policies have delivered enormous gains in sustainable immunisation. Yet macro-economic challenges and growing vaccine portfolios challenge their future success. The changes proposed in this paper seek to address these challenges, and have been developed with the objectives of sustainability, health impact, equity, and market shaping in mind. Without these proposals, it is possible that countries and the Alliance would not see a continuation of their past successes, putting at risk Gavi's overall mission as well as children's lives.

One of the ELTRACO proposals (Shift D) recommends providing countries in Accelerated Transition (AT) Phase with eight years of vaccine support for new introductions, regardless of when during AT that vaccine is introduced, thereby remaining Gavi-eligible for vaccine procurement support, including for Gavi pricing, for that vaccine during the period. While historical pricing data indicate that very few suppliers make price distinctions between Gavi-eligible and Former Gavi countries, there is a remote scenario where one or more manufacturers change their pricing strategy and decline to offer the Gavi price for a Shift D-relevant programme after a country has otherwise transitioned out of Accelerated Transition, despite the Gavi-eligible nature of such programmes. For markets where competitive dynamics are strong and where some manufacturers already offer price parity between Gavi-eligible and Former Gavi countries, the risk is minimal and not likely to materialise. While the risk is higher for dominant-supplier markets, the risk profile decreases even further as new entrants enter the market.

Equally Gavi's, Middle-Income Countries Approach, introduced in Gavi 5.0/5.1, has supported both former and never Gavi-eligible countries. Without its continuation in Gavi 6.0, there is the risk that the breadth of protection gap in middle income countries will persist. It could even worsen, with the future availability of new vaccines against dengue and tuberculosis that are highly relevant to these settings. With most global deaths from these diseases occurring in MICs, uptake by these countries will be an important contribution to realising the potential worldwide impact of these new vaccines. Furthermore, removal of the safety net of backsliding support for former-Gavi countries that have persistent gaps or experience shocks that threaten their vaccination programme risks the legacy of Gavi investment in these countries.

- **Impact on countries**

The proposals contained within this paper seek to support countries to continue to build and maintain sustainable, high coverage, immunisation programmes. Without these proposals, this objective could be put at risk. Furthermore, as part of these proposals, the MICs Approach will be fully integrated into Gavi's ELTRACO model and will form the new 'Catalytic Phase', thereby ensuring a seamless transition for countries as they move along the Gavi support continuum.

- **Impact on Alliance**

The ELTRACO shifts have a cost implication of US\$ 348 million plus US\$ 250 million for the Catalytic Phase in Gavi 6.0. The proposal to expedite new vaccine support available under shifts C and D to start in 2025, would avoid incentivising countries to delay new vaccine introductions until 2026 and would cost an additional US\$ 9.5 million (of which up to US\$ 0.5 million in Gavi 5.0 and US\$ 9 million in Gavi 6.0). The incremental costs in 2025 will come from the overall vaccine envelope.

Increasing the Gavi eligibility threshold is expected to lead to a reduction in the number of countries transitioning to fully self-financing status in 6.0. Transition will also be slowed down by the extension of accelerated transition phase for SIDS.

However, the proposals support the continued success off the Alliance's objective to support countries to build and maintain sustainable, high coverage immunisation programmes, including through supporting new vaccine introductions of critical life-saving vaccines.

- **Legal and governance implications**

None