

# ELIGIBILITY, TRANSITION, AND CO-FINANCING, INCLUDING CATALYTIC PHASE

BOARD MEETING

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# ELTRACO Shifts and Catalytic Phase

## A Coherent Continuum of Support for Countries



Accompanied by an ELTRACO Learning Agenda

**Shift F**

Multi-year waivers or partial co-financing for fragile countries

**A need for greater flexibility** to provide support in fragile contexts

**Shift C**

Co-financing in PT capped at 80%, plus a 35% co-financing cap for new vaccine introductions (NVIs)

Some countries in PT and AT face **high & rapidly increasing rates of co-financing** and **struggle to introduce new vaccines**

**Shift D**

8 years of support for NVIs in AT plus a 35% co-financing cap for NVIs

**SIDS**

12 years of AT plus a one-time downward co-financing adjustment to 80%

Small Island Developing States face **specific and unique challenges**

**Shift A**

ISF countries exposed to price for some vaccines

Limited price sensitivity may lead to **unfavourable demand dynamics with market shaping consequences**

**Shift B**

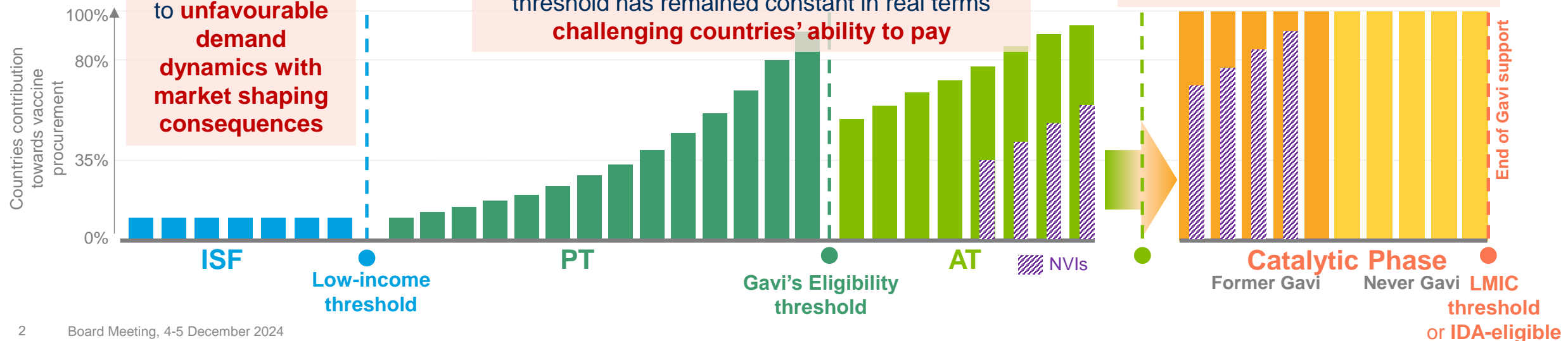
- Eligibility threshold updated to US\$ 2,300
- One-time downward adjustment of co-financing to 80% for countries regaining eligibility

Despite macro-economic difficulties & rising costs of expanding vaccine portfolios, Gavi's eligibility threshold has remained constant in real terms **challenging countries' ability to pay**

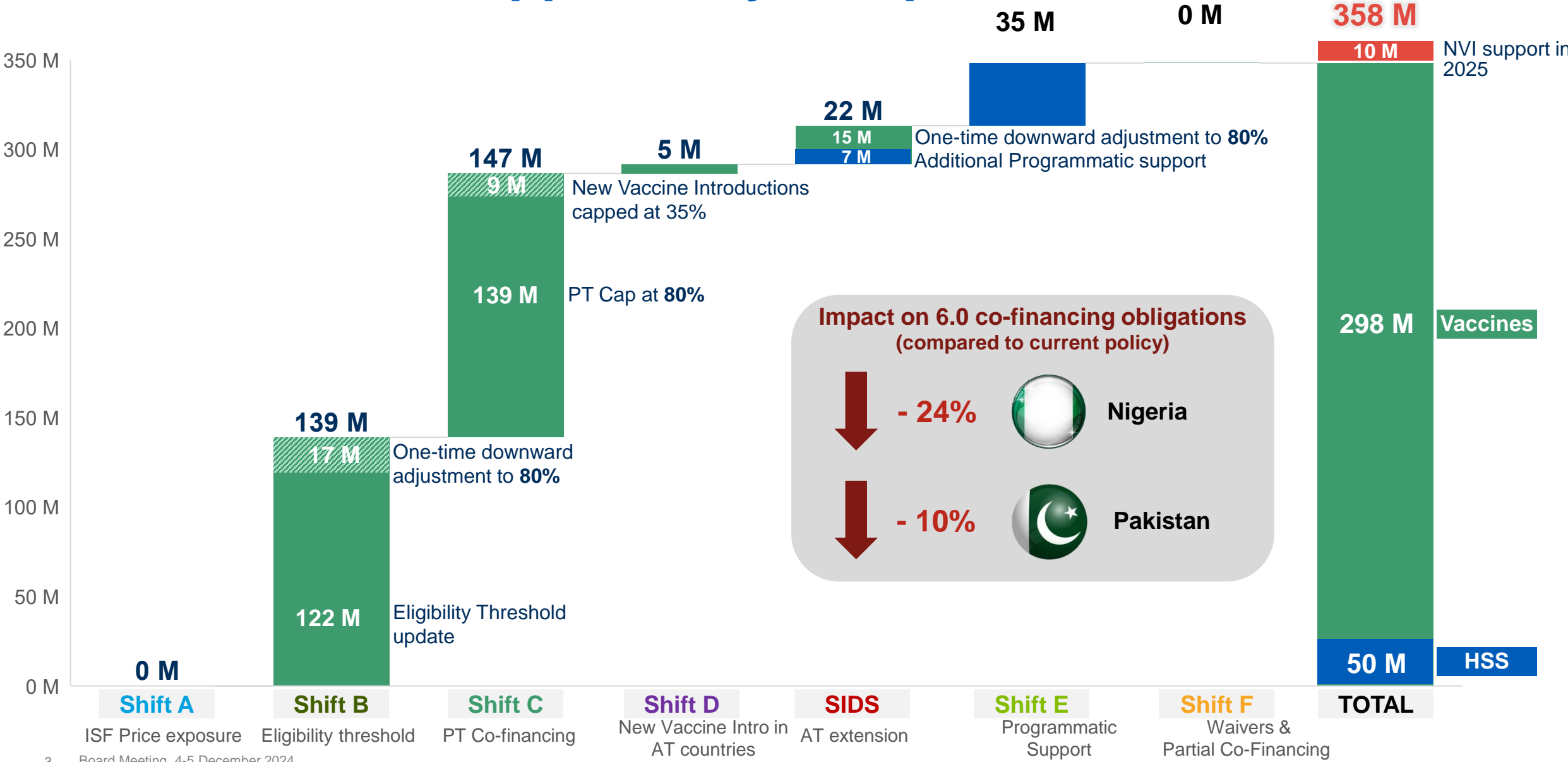
**Shift E**

Additional programmatic support for countries at risk

Programmatic challenges pose a **risk to successful transition** for some countries



# Costs of proposed ELTRACO shifts in Gavi 6.0 are aligned with Investment Opportunity mid-point



# Catalytic Phase | An evolution of the MICs Approach, building on its successes and lessons, to become more targeted, impactful, and sustainable




## Gavi 5.0

### Support Levers in MICs Approach

Objective	
1 New Vaccine Introductions	<ul style="list-style-type: none"><li>Country-level catalysers</li><li>Market shaping initiatives</li><li>Multi-country TA</li><li>Peer-learning</li></ul>
2 Backsliding Mitigation	<ul style="list-style-type: none"><li>Targeted Interventions in prioritised Former-Gavi</li><li>Multi-country TA</li><li>Peer-learning</li></ul>
3 Fragility	<ul style="list-style-type: none"><li>Fragility support</li></ul>

## Gavi 6.0

### Evolution in Catalytic Phase

- Add support for **vaccine switches and optimisation** (TA & cash only, no vaccines)
  - Include **Dengue and TB vaccines** in addition to HPV, PCV, and RV.
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- Add **MCV2** to DPT1 and DPT3 for eligibility indicators .
  - Refine prioritisation criteria
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- Maintain eligibility** for both Former and Never-Gavi
  - Harmonise** with **new Fragile and Humanitarian approach**

### Rationale

- Improve financial sustainability**
  - Prioritise health impact:** Among all deaths globally that could be averted with dengue & TB Vx, most occur in MICs (96% & 62%, respectively)
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- More needs-based** targeting
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- More harmonised** approach

### Cost (US\$ million)

199

51

0 (Need funding exploration\*)

\*Estimate of US\$ 79 million to support 3 countries receiving Fragility support including outbreak response support in 6.0, funding to be explored as part of the new Fragile and Humanitarian approach

# Recommendation (1/6)

The Gavi Alliance Programme and Policy Committee **recommends** to the Gavi Alliance Board, subject to the availability of funding for the 2026-2030 period following Gavi's replenishment for that period, that it:

a) Under Shift A, **approve**:

- i. Directly linking country co-financing contribution to the price of the vaccines for specific vaccine markets, where certain conditions are met (as outlined in Annex B to Doc 06bii);
- ii. Determining the percentage of the vaccine price that the country will pay in co-financing according to the principles of: minimal disruption to current co-financing obligations, uniform payment for the same product across Initial Self Financing (ISF) countries, and affordability of new vaccines;
- iii. Human Papillomavirus (HPV) and pneumococcal vaccine (PCV) as the first vaccine markets to meet the specific conditions under decision point a)(i), and hence the first markets for application of Shift A, with co-financing set at 4% for HPV and 7% for PCV of the vaccine price<sup>1</sup>, in accordance with the principles of decision point a)(ii); and
- iv. Following the application of Shift A to HPV and PCV as per decision point a) (iii), that future applications of Shift A to other vaccine markets, as well as the appropriate co-financing, will be reviewed and applied by the Secretariat, in accordance with the considerations and principles specified in Annex B to Doc 06bii and in decision point a)(ii), leveraging market shaping roadmap review cycles and in consultation with Alliance market shaping partners.

<sup>1</sup> Calculated based on current equivalence to US\$ 0.20 per dose for the highest cost product selected by countries for each vaccine

# Recommendation (2/6)

## b) Under Shift B, approve:

- i. Increasing the Gavi eligibility threshold to US\$ 2,300 Gross National Income (GNI) per capita (p.c.) in 2026; and
- ii. Providing countries that regain eligibility with a downward adjustment in co-financing for individual Gavi-supported vaccine programmes, including fully self-financed ones, to 80% at the point at which they re-enter Preparatory Transition (PT) phase.

## c) Under the Small Island Developing States (SIDS) Package,

- i. Approve increasing Accelerated Transition (AT) phase for SIDS to 12 years and providing a one-time downward adjustment in co-financing for individual Gavi-supported vaccine programmes, including fully self-financed ones, to 80% in 2026; and
- ii. Note that SIDS will continue to receive programmatic support, including for campaigns, for the entirety of the AT phase.

# Recommendation (3/6)

## d) Under Shift C, approve:

- i. Introducing a co-financing cap for individual Gavi-supported vaccine programmes for countries in Preparatory Transition (PT) of 80%;
- ii. Providing a downward adjustment in co-financing to individual Gavi-supported vaccine programmes, including fully self-financed ones, to 80% for countries in PT above the co-financing cap; and
- iii. For countries in PT, establishing an introductory co-financing cap of 35% for all new vaccines, with the exception of measles and measles-rubella (MR), which will remain as per the current Board decisions.

## e) Under Shift D, approve:

- i. For countries in AT, establishing an introductory co-financing cap of 35% for all vaccines, with the exception of Measles and MR which will remain as per the current Board decisions; and
- ii. Providing AT countries with eight years of vaccine support for all new vaccines introduced during AT, regardless of when during the AT phase they are introduced.

# Recommendation (4/6)

## f) Under Shift E, approve:

- i. Using multiple indicators measuring immunisation coverage to assess programmatic performance of AT countries, aligning directly with the indicators and levels used in the Health Systems allocation model in Gavi 6.0;
- ii. Providing five years of additional programmatic support to reinforce programmatic capacities for countries post-AT who meet the specified criteria; and
- iii. Removing the 90% coverage threshold limit for three doses of pentavalent vaccine (Penta3) for approval of new Health System Strengthening grants for countries in AT.

## g) Under Shift F, approve:

- i. Allowing Gavi to provide, for countries that experience widespread, large-scale conflict or disaster of such magnitude that profoundly hampers the proper functioning of government, either (i) co-financing waivers of up to three years at any one time, or (ii) partial co-financing obligations, as per the country context.
- ii. That co-financing obligations do not apply where Gavi channels vaccines and support directly through Alliance and other partners in exceptional emergency situations and humanitarian settings.



# Recommendation (5/6)

h) Under the Catalytic Phase<sup>2</sup>, **approve**:

- i. The overall scope and eligibility for the Catalytic Phase, including vaccines in scope, as outlined in Annex C to Doc 06bii;
- ii. Support may be channeled towards vaccine optimisation activities, including switches, to support lower middle-income countries achieve financial sustainability of their vaccine programmes. This would include support for technical assistance and one-off costs, not vaccine doses;
- iii. Applying the proposed performance indicators and prioritisation criteria (outlined in this paper) in determining eligibility for Targeted Intervention support to Former-Gavi-eligible countries experiencing backsliding; and
- iv. Maintaining the in-principle eligibility of both Former- and Never-Gavi eligible countries for potential Fragility Support (per June 2022 Board Decision 13).

i) **Approve** that the new co-financing rules outlined in the above decision points can be used to inform the approval processes starting in early 2025 for implementation from 2026.

<sup>2</sup> Eligible countries are former- and never-Gavi eligible countries classified by the World Bank as lower middle-income countries (LMICs) or eligible to borrow from the International Development Association (IDA)

# Recommendation (6/6)

- j) **Approve** the application of decision points (d)(iii), (e)(i) and (e)(ii) in 2025 in situations where countries are ready to introduce vaccines, to avoid delaying such introductions, with an additional estimated financial implication of US\$ 9.5 million (US\$ 0.5 million in 2025 and US\$ 9 million in Gavi 6.0);
- k) **Request** that the Secretariat estimate the cost of applying decision point (b)ii and (c)i in 2025 in situations where countries already have co-financing of 80% or greater, for consideration at the December 2024 Board meeting; and
- l) **Request** that the Secretariat put forward options for addressing the pace of change in co-financing for PT countries. This will be part of a series of other potential investments to be explored by the Board in 2025 as part of further prioritisation of programmes when future resources and other Gavi cost areas are more clear.

# Thank you