Gavi Alliance Vaccine Budget Policy

Version 1.0

DOCUMENT ADMINISTRATION

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1. Scope and purpose

1.1. This policy defines the rules for the allocation of funding through country-specific Vaccine Budgets.

- The Vaccine Budgets apply to Gavi-eligible countries[1], as outlined in the Gavi Funding Guidelines, for funding over one five-year strategic period.
- It applies to the procurement of Gavi-supported vaccines, devices and freight.

1.2. The policy does not apply to Gavi support for emergencies, outbreaks or diagnostics.

1.3. This policy should be considered together with the Eligibility and Transition Policy, Co-financing Policy and the Health Systems and Immunisation Strengthening (HSIS) Policy.

1.4. The **objectives** of the policy are to:

- Maximise health impact and value for money,
- Minimise risk of outbreaks,
- Ensure equitable access to vaccines,
- Improve financial and programmatic sustainability, and
- Protect market health.

1.5. The following **principles** guide the design and implementation of the Vaccine Budget policy:

- **Flexibility for countries**: Ensure countries have flexibility and decision-making autonomy to manage trade-offs within their allocated budget.
- **Continuity of support**: Minimise disruptions of existing vaccine programmes already introduced by countries.
- **Simplicity**: Ensure predictability of funding for countries and operational feasibility.

2. Definitions

- **Vaccine Budget:** Country-specific allocations provided to Gavi-eligible countries for their vaccine procurement support over a five-year strategic period, made up of two components, guaranteed and discretionary, and subject to updates through review of allocations and the prioritisation process.
- **Initial Self-Financing (ISF) Floor:** Vaccine Budgets for ISF countries include enough support to ensure continuity of their existing vaccine programmes that fall under the discretionary budget and to ensure malaria vaccine scale-up and new malaria vaccine introductions in up to 70% of moderate- to high-transmission areas.

[1] Catalytic phase countries also receive funding from the total allocation for Vaccine Budgets per the funding guidelines but are not subject to this policy.

- **Self-financing:** The cost of vaccines, devices and freight covered by non-Gavi resources to complement a programme supported by the Vaccine Budget (e.g. domestic or other donor funding) and not representing the country's co-financing share.
- **Allocation review triggers:** Defined changes in the Gavi vaccine forecast that lead to a review of Vaccine Budget allocations.
- **Review of Vaccine Budget allocations:** Process to validate and determine whether allocation review triggers result in a prioritisation process.
- **Prioritisation process:** Process to prioritise available funding for countries' Vaccine Budgets following a specified order (either adding or reducing funding). Results in update of Vaccine Budget allocations.
- **Update of Vaccine Budget allocations:** Upwards or downwards adjustments to countries' Vaccine Budgets over the course of the strategic period.
- **'Standby list':** Register of country funding needs which are considered valid at the time of allocation review but are not funded in the prioritisation process('unfunded needs'). They would be fulfilled as funding becomes available, following the prioritisation order.

3. Vaccine Budget Components

3.1. Each country's Vaccine Budget is composed of a guaranteed budget and a discretionary budget.

Guaranteed budget

3.2. Guaranteed budgets define the funding available to each country for a set of defined vaccine programmes whether already introduced or to be introduced.

3.2.1. Gavi-supported vaccine programmes within scope of guaranteed budgets: Pentavalent, Inactivated Polio Vaccine or Hexavalent; Rotavirus; Hepatitis B birth dose; Yellow fever (Routine); Measles/Measles Rubella (Routine, Catch up & follow up campaigns); Pneumococcal Conjugate (Routine & Catch up) and Human Papillomavirus (including Multi-Age Cohorts).

3.3. The list of vaccine programmes within scope of the guaranteed budgets is set before the start of each strategic period. Any new vaccines that are added to the Gavi portfolio during the strategic period will be evaluated to determine their inclusion under the guaranteed budget.

Discretionary budget

3.4. Discretionary budgets define the funding available to each country with the primary objective of providing support for vaccine programmes, whether already introduced or to be introduced, that are not catered for under the guaranteed budgets.

3.4.1. Gavi-supported vaccine programmes within scope of discretionary budgets: Malaria; Yellow fever campaigns; Japanese Encephalitis (including Catch up); Typhoid (including Catch up); Cholera;

Meningococcal (Meningitis A/ Multivalent Meningococcal Conjugate, including Catch up); Rabies; Diphtheria-Tetanus-Pertussis-containing boosters; Respiratory Syncytial Virus.

4. Vaccine Budget Allocation

4.1. Guaranteed budgets aim to provide sustained funding for vaccine programmes within scope, whether already introduced, or planned for introduction during a strategic period, provided alignment with the country's plan as per approved single application, and given sufficient Gavi resources are available. Guaranteed budgets are allocated based on Gavi's financial forecast at the beginning of a strategic period.

4.2. Discretionary budgets for initial self-financing (ISF) countries include at minimum sufficient funding to cover the forecasted costs of their ongoing vaccine programmes that are not covered under the guaranteed budget, as well as for any new Malaria vaccine introductions or scale-up in up to 70% of geographical areas with moderate to high transmission, in line with the Funding Guidelines ("ISF floor"). The ISF floor is allocated based on Gavi's financial forecast at the beginning of a strategic period.

4.3. After definition of the minimum discretionary budget for ISF countries, additional discretionary funding is allocated to countries at the beginning of a strategic period using a formula. The formula reflects financial capacity and burden of disease via calculating inverse gross national income per capita (GNI p.c.) scaled to under-5 mortality rate relative to birth cohort. Funding is distributed to countries such that those with larger birth cohorts, combined with high under-5 mortality and lower GNI p.c. are allocated a larger share. Funding provided through discretionary budgets might not fully meet a country's vaccine needs.

4.4. The outcome of the formula can be further adjusted to balance out disproportional funding differences across countries, through:

a) Applying a cap as a maximum allocation per country, calculated at the level of introducing all vaccines that the country is eligible for.

b) Redistributing any excess funding generated from applying the caps to countries that would otherwise face a funding gap with respect to the costs of their ongoing vaccine programmes within scope of discretionary budgets.

c) Additional manual adjustments that may be considered by the Secretariat to seek a distribution of discretionary budgets in line with the objectives and principles of Vaccine Budgets, including for setting a lower cap where absorptive capacity for new introductions is limited, and to redistribute the funding freed up to increase other countries' discretionary budgets.

4.5 As a principle, countries are expected to manage their vaccine programmes within their existing Vaccine Budgets. To ensure predictability, Vaccine Budget allocations to countries are, in principle, expected to be stable unless otherwise specified (see Sections 7 & 8).

4.6 In order to manage the implementation of Vaccine Budgets over time and address changes in vaccine funding needs, allocations for guaranteed budgets will be reviewed annually (Section 7). Furthermore, Gavi resources available for Vaccine

Budgets may change. Both may result in a prioritisation process of available funding and subsequent update of country-specific Vaccine Budgets (Section 8).

4.7 Contingency funds will be set aside to protect key vaccine markets and manage fluctuations such as vaccine price, freight costs, foreign exchange rates and overall available resources for Vaccine Budgets. The use of these contingency funds will be managed by the Gavi Secretariat and informed by the review of Vaccine Budget allocations (Section 7).

5. Use of funds

5.1. Funds under the Vaccine Budgets may not be exchanged for other Gavi funding provided through health systems and immunisation strengthening support ('cash budget'), and vice-versa.

5.2. Funds under the Vaccine Budgets may not be used to fulfill countries' own co-financing obligations.

5.3. Vaccine programmes funded under the Vaccine Budgets are planned and implemented in accordance with Gavi's Funding Guidelines.

5.4. Funds under **guaranteed budgets** may only be used towards the vaccine programmes listed in Section 3 that they have been allocated to (see Section 4.1) unless specified otherwise (see Sections 6 & 7).

5.5. Funds under **discretionary budgets** may be used across the identified vaccine programmes within their scope as listed in Section 3.

5.6. **Discretionary budgets** may be used towards vaccine programmes within the scope of guaranteed budgets, under the following circumstances:

5.6.1. A country decides to maintain or introduce a higher-priced version of a product/ or a higher-priced presentation than represented in its guaranteed budget allocation.

5.6.2. A country has unmet funding needs within the scope of the guaranteed budgets and these have been noted on the 'stand-by list' (see Section 7).

5.6.3. A country expands the scope of a programme under the guaranteed budgets based on epidemiological needs and in accordance with Gavi's Funding Guidelines.

6. Self-financing of vaccine programmes under Vaccine Budgets

6.1. A country can decide to partially or fully self-finance a vaccine programme (see Section 3), complementing the Vaccine Budget contribution and country co-financing.

6.2. If a country decides to partially or fully self-finance a vaccine programme within scope of their guaranteed budget, it may retain the allocation of corresponding funds and repurpose them for any other Gavi-supported vaccine programmes within the scope of Vaccine Budgets (see Section 3), at its discretion.

6.3. If a country does not meet their financing commitments for partially or fully self-financed vaccine programmes within the scope of their guaranteed budgets or partially self-financed vaccine programmes within the scope of their discretionary budgets, the annual review of Vaccine Budget allocations will determine the viability of the vaccine programme and may result in a downwards change of that country's guaranteed Vaccine Budget allocation accordingly[2] (see Section 7 & 8).

6.4. A country is expected to consistently meet its co-financing obligation in order to self-finance.

7. Review of Vaccine Budget allocations

7.1. Changes in country vaccine funding needs over the course of the strategic period are addressed through an annual, Gavi Secretariat-led review of country-specific guaranteed budgets and ISF floors, including a review of changes in Gavi resources for Vaccine Budgets.

7.2. The review is grounded in the principles that:

7.2.1. Vaccine Budget allocations are expected to be stable. They are communicated to countries at the start of the strategic period to facilitate planning and predictability. They may be updated according to the triggers in section 7.5.

7.2.2. Countries are expected to manage their vaccine programmes within their existing Vaccine Budgets.

7.3. The review is linked to Gavi's standard, cyclical financial forecasting updates. Defined changes in the vaccine forecast of country-specific guaranteed budgets and ISF floors trigger the allocation review:

7.3.1. Triggers resulting in funding being freed up in a country's Vaccine Budget ('downwards changes') are first assessed against other Gavi funding priorities outside Vaccine Budgets. If maintained within Vaccine Budgets, they lead to a prioritisation process where other funding needs in the Vaccine Budgets are fulfilled (Section 8).

7.3.2. New country funding needs resulting from triggers ('upwards changes') are noted on a 'standby list' to be fulfilled through the prioritisation process if funding becomes available (Section 8).

7.4. The validity of the triggers is confirmed by Gavi Secretariat as per a methodology defined in a Gavi operational guideline.

7.5. Triggers can be categorised into four types:

7.5.1. **Triggers relating to changes as a result of, or to, Gavi programmatic policies or funding guidelines.** These result in an upwards or

[2] If countries do not meet self-financing commitments under discretionary budget, a review of the viability of the vaccine programme could lead to a request for the country to repurpose their funding to another programme.

downwards change to a country's Vaccine Budget to comply with the update, e.g. country eligibility phase changes, co-financing rules updated or vaccine programme rules are changed.

7.5.2. **Triggers relating to country decision making.** These result in a downwards change under the following circumstances:

a) Country discontinues a vaccine programme under guaranteed budgets (existing or planned).

b) Country self-financing of a vaccine programme under guaranteed budgets below agreed level.[3]

c) Earmarked allocations for catch-up in fragile & humanitarian settings not implemented.

7.5.3. **Triggers based on their cumulative impact on a country's guaranteed Vaccine Budget and ISF floor.** These may result in an upwards or downwards change[3] (non-exhaustive list):

a) **Volume-based triggers**: Change to Gavi sub-strategies (e.g. 'must-wins'), country-led vaccine programme timing changes, country-led vaccine programme scope changes (e.g. age groups targeted, geographic scope), change in population assumptions, change in coverage assumptions, change in vaccine buffer assumptions, change in vaccine wastage assumptions, change in vaccination catch-up doses, absorption of doses previously covered by Gavi's Resilience Mechanism (GRM) into Vaccine Budget (e.g. refugee populations), vaccine supply constraints and underconsumption of doses in country.

b) **Price-based triggers:** vaccine price increase or decrease, freight price changes, normal price variance, country switches to a cheaper product/ presentation.

7.5.3.1. If the cumulative impact is an upwards or downwards change of less than or equal to a defined monetary threshold percentage and/or amount of the country's total guaranteed budget, there is no action. A Gavi operational guideline defines the threshold.

7.5.3.2. If the cumulative impact is above the threshold (upwards or downwards change), section 7.3 applies.

7.5.3.3. A Gavi operational guideline specifies flexibilities for vaccine allocations across a country's guaranteed budget if the cumulative impact is less than or equal to the threshold.

7.5.4. **More or less Gavi resourcing for Vaccine Budgets available.** These result in a prioritisation process (Section 8).

[3] Will lead to a to reduction in the Vaccine Budget by the amount of corresponding funds retained per section 6.2. The overall viability of the vaccine programme will also be determined.

8. Prioritisation of new country funding needs

8.1. Country funding needs noted on the 'standby list' (see Section 7) will be fulfilled in the following order if funding becomes available[4]:

1a. Maintain continuity of existing vaccine programmes in guaranteed budgets

1b. Maintain continuity of existing programmes in discretionary budgets (ISF floor only)

2a. Support coverage expansion across existing vaccine programmes in guaranteed budgets

2b. Support coverage expansion across existing vaccine programmes in discretionary budgets (ISF floor only)

3. Support new introductions and campaigns in guaranteed budgets and ISF floor

4. Support Vaccine programmes in discretionary budgets outside ISF floor (i.e. new introductions and campaigns in all countries and continuity of existing vaccine programmes in countries in preparatory transition and acceleratory transition phase)[5].

8.2. If less resourcing for Vaccine Budgets is available, funding will be removed from countries' Vaccine Budgets in the opposite direction, i.e. starting from 4. above.

8.3. If not all 'upwards needs' (see section 7.3.2) can be addressed following the prioritisation logic, the remaining gap will be assessed against other Gavi funding priorities outside Vaccine Budgets.

9. Update of Vaccine Budget allocations

9.1. Following prioritisation, country-specific Vaccine Budgets will be updated accordingly, and countries will be notified of the changes.

9.2. The updated Vaccine Budget allocations are approved by the Gavi Secretariat, with further details specified by a Gavi operational guideline.

10. Implementation and Monitoring

10.1. This policy comes into effect on 3 July 2026.

10.2. Monitoring of this policy will take place via the Gavi Leap Master Dashboard, and relevant indicators will be included in the overarching Gavi Execution Framework.

10.3. Any exceptions to this policy are subject to approval by the CEO of the Gavi Secretariat, and will be reported to the Programme and Policy Committee and Board at their next meeting.

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[4] Including if countries move downwards in eligibility phase, e.g. PT to ISF, additional funding would be provided as a priority following the same hierarchy.
[5] Funding allocated using the allocation formula for discretionary budgets as defined in sections 4.3 and 4.4.

10.4. This policy will be reviewed and updated in 2028, and as and when required. Any amendments to this policy are subject to Gavi Board approval.