Subject	**Health Systems and Immunisation Strengthening Policy**
Agenda item	**10**
Category	**For Decision**

Executive Summary

The purpose of this paper is to request the Gavi Board to approve updates to the Health Systems and Immunisation Strengthening (HSIS) policy. The proposed updates align the allocation of the HSIS vaccine implementation support within the HSIS grant (referred to in country communication as Cash Budget) with the direction of the Gavi Leap, the introduction of Vaccine Budgets, and resource adjustments following Gavi 6.0 recalibration. The paper also finalises policy elements that were placeholders in the 24-25 July 2025 Board approval.

Approximately US$ 160 million of vaccine implementation support[1] within the Cash Budget remains to be allocated, and the proposed updates establish the approach for its distribution. **The Programme and Policy Committee (PPC) considered two allocation options (1) a fully consolidated allocation through the HSIS formula, and (2) a differentiated allocation aligned with the Vaccine budget policy (Doc 09)**, distinguishing between programmes within the guaranteed and discretionary Vaccine Budget. While a fully consolidated allocation would maximise simplicity, the PPC noted that vaccine implementation support is inherently activity driven and may not align with the formula driven approach. **The PPC recommended the differentiated allocation approach (Option 2)**, noting that it better aligns vaccine implementation support with programme delivery and the Vaccine Budget Policy. The revised policy therefore reflects Option 2.

Within the differentiated allocation approach (Option 2), the PPC considered two design choices for the treatment of vaccine implementation support allocated to programmes in the guaranteed Vaccine Budget: **(a) unconditional allocation,** where funds remain with countries regardless of whether the planned introduction, campaign or switch proceeds, maximising planning certainty and simplicity; or **(b) conditional allocation**, where funding is allocated upfront for planning purposes but is only able to be programmed where the corresponding activity is included within countries' application and budgets. Where activities are not prioritised in the application or do not proceed, associated implementation funding may be reallocated. If the introduction, campaign, or switch is prioritised in the approved application and budget, associated funding remains fungible within the broader Cash budget.

[1] Vaccine implementation support is support for the introduction and scale up of new vaccines in the national immunisation schedule, implementation of preventive campaigns, and safe and effective vaccine product, presentation or schedule switches. Support is calculated on a dollar per child amount for each forecasted introduction, campaign and switch https://www.gavi.org/our-alliance/market-shaping/vaccine-demand-forecasting.

The majority of PPC members recommended Option 2b, consistent with the Gavi Secretariat recommendation. Members noted that this approach strengthens alignment between funding and implementation, is consistent with the Vaccine Budget concept, and supports more equitable portfolio management under constrained resources. **The revised policy therefore reflects the conditional allocation approach (Option 2b)**. However, there were constituents who preferred Option 2a, emphasising the importance of preserving country flexibility and planning certainty and reducing operational complexity.

The paper also finalises policy provisions related to Cold Chain Equipment (CCE) Country Joint Investment, including the introduction of an optional annualised payment approach to support affordability and smoother financial planning for countries. To strengthen sustainability and mitigate the risk of non-repayment associated with these annualised payment arrangements, the policy introduces a consequence whereby future HSIS disbursements are reduced by twice the outstanding amount in cases of non-compliance. This reflects the need to create a sufficient incentive for countries to fully pay their obligation without relying on Gavi grant funding to offset repayment obligations, which has occurred historically and undermines the sustainability objective of country joint investment.

The proposed policy updates were informed by consultations with the Alliance Health Systems Technical Advisory Group (HS-TAG), CSOs and Gavi-eligible countries at the 'Leap into Gavi 6.0 - Readiness Workshop' in Rwanda.

Action Requested of the Board

The Gavi Alliance Programme and Policy Committee **recommends** to the Gavi Alliance Board that it:

- **Approve** the Health Systems and Immunisation Strengthening Policy attached as Annex B to Doc 10.

Next steps/timeline

Subject to Board approval, the Secretariat will update the HSIS policy and proceed with allocating the remaining HSIS funding in July 2026, enabling countries to begin planning and submitting their applications for the Gavi 6.0 strategic period.

Previous Board Committee or Board deliberations related to this topic

In May 2026 PPC meeting book: Doc 06b Health Systems and Immunisation Strengthening Policy
In December 2025 Board meeting book: Doc 05a Annex a Caps and Floor for Health Systems Immunisation Strengthening (HSIS) Allocation Formula
In July 2025 Board meeting book: Doc 06 Annex C HSIS Policy
In December 2022 Board meeting book: Doc 11a Annex B Health Systems Immunisation Strengthening (HSIS) Policy

1. Purpose

1.1 **This paper seeks Board approval of targeted updates to the Health Systems and Immunisation Strengthening (HSIS) policy** to operationalise the Gavi 6.0 strategy, including the recommended approach for allocating vaccine implementation support within the Cash Budget. The proposed updates align the allocation of vaccine implementation support with Gavi Leap, the introduction of Vaccine Budgets (see Doc 09) and resource constraints following Gavi 6.0 recalibration.

1.2 **The revised policy also finalises elements left as placeholders in the July 2025 Board approval** and updates language to align with Gavi 6.0 operating model.

2. Context

2.1 **In July 2025, the Gavi Board approved the consolidation of eight funding levers into a single flexible HSIS grant ("Cash Budget"),** combining multiple funding streams while preserving their distinct strategic purposes: supporting long-term health systems strengthening, while also enabling delivery of vaccine implementation activities, including new vaccine introductions, campaigns and product/presentation switches. For Gavi 6.0, this resulted in a two-part allocation methodology within the HSIS policy: i) a formula and needs-based allocation for health systems strengthening (HSS), cold chain and technical assistance (US$ 1.5 billion), and ii) an activity-based allocation for vaccine implementation support based on Gavi's country demand forecast (US$ 0.65 billion, US$ 0.42 billion excluding outbreaks[2]). While allocation methodologies differed, **funds were fully fungible within the Cash Budget, subject to three guardrails**[3].

2.2 However, **the current HSIS policy creates an inherent tension in the allocation of vaccine implementation support** between providing countries with predictable and flexible funding, and ensuring resources remain aligned with vaccine programme delivery. **This tension has intensified due to:** i) the Gavi Leap, which emphasises country decision-making, simplicity, and upfront visibility; ii) resource constraints following Gavi 6.0 recalibration, with demand now exceeding available resources, requiring greater responsiveness across the portfolio and iii) the introduction of Vaccine Budgets which require implementation support to enable delivery of guaranteed programmes, while remaining resources support discretionary vaccine investments (see Doc 09).

2.3 Addressing this tension **requires updating the allocation approach for vaccine implementation support** to better align scarce resources with delivery needs while preserving predictability and flexibility for countries.

[2] Derived from the forecasted volume of vaccine introductions, campaigns and vaccine product/presentation switches over the strategic period after Gavi 6.0 recalibration in July 2025.
[3] The three guardrails are measles / measles rubella follow up campaigns, ii) civil society organisations and iii) cold chain equipment.

2.4 **Approximately US$ 160 million[4] of the Cash Budget** remains to be allocated and is therefore in scope for this policy update[5]. The policy options presented in this paper were informed by consultations with countries, CSOs, Alliance partners and PPC discussions.

3. Principles used to assess options

3.1 Vaccine implementation support allocation options were **assessed against the following policy principles:**

- Providing countries with predictable, flexible funding to support planning and prioritisation.
- Aligning funding with vaccine programme delivery to conduct quality introductions, campaigns, and switches.
- Ensuring simplicity and efficient use of limited resources.

3.2 These principles reflect the structural tension described above, and no single option fully satisfies all principles.

4. Options for allocating vaccine implementation funds

4.1 **The PPC considered two options for allocating remaining vaccine implementation funding within the HSIS grant**: a fully consolidated allocation through the HSIS formula (Option 1) and a differentiated allocation aligned with the Vaccine Budget Policy (Option 2). All PPC members recommended Option 2.

4.2 **The PPC noted that Option 2 would better align vaccine implementation support with vaccine programme delivery** and improve targeting of limited resources. While a fully consolidated allocation (Option 1) would maximise simplicity and apply a uniform allocation methodology, members noted that vaccine implementation support is inherently activity-driven and may not align well with formula-based allocation. This could weaken the link between approved vaccine programmes and the operational funding required to deliver introductions, campaigns, and switches, particularly for programmes in the guaranteed Vaccine Budget.

4.3 **The revised HSIS policy therefore reflects Option 2**, differentiating allocation between vaccine programmes within the guaranteed and discretionary budgets, as follows:

4.3.1 **Programmes in the guaranteed Vaccine Budget[6]**: vaccine implementation support would be allocated upfront based on the Gavi

[4] Per latest v23.2 forecast update.
[5] In March 2026, countries received visibility of their Gavi 6.0 Cash Budgets, with 91% of available funding already allocated firmly to support country planning, including HSS, TA, and M/MR follow-up campaign funding.
[6] Vaccine programmes within guaranteed budgets include introductions and associated catch-up campaigns for measles–rubella, pneumococcal conjugate (PCV)), and human papillomavirus (HPV), as well as introductions of

v23.2 financial forecast (Doc 07), providing countries with visibility over resources available to support planned introductions, campaigns and switches. Of the US$ 160 million available, approximately US$ 110 million[7] would be allocated upfront to support delivery of vaccines in the guaranteed budget.

4.3.2 **Programmes in the discretionary Vaccine Budget**: Remaining funds (approximately US$ 50 million) would be allocated proportionally based on each country's expected scope for future vaccine activities, directing resources towards countries most likely to undertake new vaccine activities within their discretionary Vaccine Budgets (See Annex C). Where funding for discretionary Vaccine Budgets is highly constrained, Gavi may hold these funds centrally and allocate them to all countries through periodic reallocations of HSIS support.

4.4 **A design choice within Option 2** concerns whether vaccine implementation support for programmes in the **guaranteed Vaccine Budgets** should remain available to countries irrespective of programme implementation or whether access to those funds should be linked to countries confirming the activity within their application and budget, consistent with the Vaccine Budget policy.

4.4.1 **Option 2a: Unconditional Allocation:** funds remain available to countries regardless of whether the introduction, campaign, or switch proceeds, maximising country flexibility and planning certainty.

4.4.2 **Option 2b: Conditional Allocation**: funds are firmly allocated upfront for planning purposes, but countries may only access and programme those funds where the corresponding introduction, campaign or switch is prioritised within a country's application and budget and proceeding toward implementation, consistent with the Vaccine Budget Policy. Where activities are not prioritised, or do not proceed, associated implementation support would not be disbursed and may be reallocated.

4.5 **This reflects a trade-off between predictability, country flexibility, and alignment of funding with programme delivery.** A majority of PPC members supported Option 2b, noting it strengthens alignment between implementation funding and approved vaccine activities, remains consistent with the Vaccine Budget Policy and supports equitable portfolio management under constrained resources by enabling scarce implementation funding to be redirected to countries where activities ultimately proceed. The revised policy reflects Option 2b.

4.6 **However, some PPC and country constituents expressed a preference for Option 2a,** noting it more fully aligns with the Gavi Leap ambition of a consolidated and flexible funding envelope that supports country-led

hexavalent, yellow fever, rotavirus, and hepatitis B birth dose vaccines. Switches for these antigens and for inactivated polio vaccine (IPV) are also included.
[7] Updated based on v23.2 forecast.

prioritisation and planning certainty. Members highlighted that Option 2b could reintroduce activity-specific distinctions within the fungible Cash Budget and increase operational complexity and administrative burden.

5 Additional HSIS policy updates

5.1 **The paper also finalises policy elements that were yet to be developed in the July 2025 Board approval,** including the approach for cold chain equipment (CCE) country joint investment.

5.2 In July 2025, **the Board supported retaining the CCE Country Joint Investment and strengthening its operationalisation**, including through the introduction of an optional annualised payment approach, alongside the existing lump-sum payment option, to improve affordability and spread contributions over time. As Gavi would frontload financing for CCE procurement, including the country joint investment portion, annualised payments introduce a risk of non-repayment. Historically, there were also instances where countries used HSS funding to finance CCE joint investment obligations, undermining its sustainability objective, a practice the Secretariat has phased out in recent years.

5.3 To support the operationalisation of **annual payment options, the updated policy introduces a clear consequence for non-compliance with CCE country joint investment obligations**, where future HSIS disbursements are reduced by twice the outstanding contribution amount. The 2x consequence is intended to mitigate risks of non-repayment and reinforce the expectation that CCE contributions should be financed from non-Gavi resources. A consequence limited to the outstanding amount alone was considered insufficient to create a meaningful incentive for timely repayment and could weaken the sustainability rationale underpinning country joint investment. This approach is consistent with the Board's emphasis on strengthening country co-investment per the Gavi 6.0 Health Systems Strategy. Complementary mechanisms to support the operationalisation of annualised payments, including pre-financing through UNICEF's Vaccine Independence Initiative (VII), may also be explored on a case-by-case basis.

5.4 **The revised policy set out in Annex B reflects these updates**. It also incorporates previously approved Board decisions, aligns language with Gavi Leap and Grant Management Reform, and clarifies eligible expenditures for the measles/measles-rubella follow-up campaign guardrail within the Cash Budget.

Annexes

Annex A: Risks and Risk Mitigations

Annex B: Health Systems and Immunisation Strengthening Policy

Annex C: Analysis of Different Options to Allocate HSIS Support