

Subject **Prioritisation Mechanism - UPDATED**

Agenda item **10**

Category **For Decision**

Executive Summary

This paper proposes to the Board that it approve an update to the Prioritisation Mechanism for Gavi's Support to Countries (approved as 'Prioritisation Mechanism for New Vaccine Support Policy' in 2013) for the remainder of the 5.1 strategic period. The proposed update to the dated mechanism follows an interim review, conducted as a good practice to align it with Gavi 5.1 strategic priorities, and has been recommended for approval by the Programme and Policy Committee (PPC). The updated mechanism is intended to prioritise Gavi's funding decisions for support to countries in case of a situation in the course of a strategic period where country demand for Gavi programmes exceeds available resourcing, entailing a projected mismatch of demand and resources.

Country demand for Gavi support has significantly increased since the COVID-19 pandemic and as the Alliance nears the final year of the Gavi 5.1 strategic period. This is a testament to countries' strong commitment to immunisation, and the important role of the Alliance in supporting countries over the course of 5.1. As a result, should projected programmatic demand exceed available funding during the remaining Gavi 5.1 period, the Secretariat would either need to confirm availability of new resources or apply the updated prioritisation mechanism to ensure that the most impactful applications are funded in Gavi 5.1 and resources are managed sustainably.

The updated mechanism retains the principles of objectivity, transparency and feasibility, with additions of honouring continuity and predictability of support. These principles inform the updated scope of the mechanism. New vaccine support and associated cash support stays within scope, with the innovation top-up added. Of these, all applications that have not yet been committed via Decision Letters are in scope, including those forecasted over the remainder of the 5.1 strategic period. The existing objectives of minimising loss of health impact, maximising value for money, improving financial sustainability of immunisation programmes and maintaining equitable access to vaccines are retained, with adjustments to some indicators. Two new objectives are added: Upholding healthy markets for vaccines and related products, and minimising risk of disruptive future outbreaks and impact on global health security. The mechanism would be applied following rounds of the Independent Review Committee (IRC) when there is a projected mismatch of demand and resources until such a time passes.

The PPC reviewed the updated mechanism during its meeting on 20 November 2024. The Committee broadly agreed with the proposed updates and asked the Secretariat to consider integrating country priorities in the mechanism. A proposed

approach is presented in this paper with a request for the Board to **provide a steer on whether to retain the proposed approach in the mechanism**, noting the potential implications. The PPC also requested that the Board meet in closed session at its meeting in December 2024 to review Gavi's resources that may be available to fund programmes to inform the potential prioritisation need for 2025.

Action Requested of the Board

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

- a) **Approve** the revised update of the 'Prioritisation Mechanism for Gavi's Support to Countries' attached as Annex A to Doc 10, as amended by the discussions at the PPC;
- b) **Note** that the Secretariat will propose further revisions to the Mechanism during 2025 to ensure that it is fit for purpose for the Gavi 6.0 strategic period.

Next steps/ timelines

Should projected country demand exceed available funding during the remaining Gavi 5.1 period and the Secretariat is unable to confirm availability of new resources, the Audit and Finance Committee (AFC) will be notified and requested to approve the mismatch, as well as confirm the value of support that is available for prioritisation. This approval would trigger the use of the mechanism at the next regular round of the Independent Review Committee (AFC). Following the recalibration of Gavi 6.0 priorities through a separate Board-led process post-replenishment, the prioritisation mechanism will be brought back to the PPC and Board in the second half of 2025 to ensure alignment with Gavi 6.0 priorities.

Previous Board Committee or Board deliberations related to this topic

In November 2024 PPC meeting book: Doc 02 *Update of the Prioritisation Mechanism for Gavi's Support to Countries*

1. Context and approach to the update of the Prioritisation Mechanism

- 1.1 **In June 2013 the Board approved the Prioritisation Mechanism to inform Gavi's funding decisions for country support** in case of a mismatch of country demand and resources in the course of a strategic period (see Appendix 1). The prioritisation mechanism was intended as a last resort policy to rank country applications in case of financial constraints during a strategic period. The mechanism has not needed to be used since it was approved by the Board in 2013.
- 1.2 **This pre-agreed prioritisation mechanism provides a pathway for the Secretariat to make prioritisation decisions for country support based on a Board-agreed approach.** It ensures that the most impactful country applications are prioritised and improves visibility and transparency for countries and partners about the key criteria used to make such decisions.
- 1.3 **While the COVID-19 pandemic slowed delivery of Gavi's core programmes in 2021–2023, country demand has since significantly increased as the Alliance nears the final year of the Gavi 5.1 strategic period.** When Gavi set the budget envelope at the beginning of the Gavi 5.0 strategy period before the pandemic, this uptake could not have been predicted. The increase is a testament to countries' strong commitment to immunisation and their ability to bounce back after the pandemic, and the important role of the Alliance in supporting countries in doing so. Consequently, there is an exceptionally high number of country applications for Gavi support projected for the remainder of Gavi's 5.1 strategic period. The Secretariat tracks this closely and should country demand exceed available funding during the remainder of the Gavi 5.1 period, the Secretariat would either need to confirm availability of new resources¹ or apply the Prioritisation Mechanism.
- 1.4 **In that context, as a good practice the Secretariat conducted an interim review of the mechanism, to make it fit for purpose for Gavi 5.1,** ensuring that the most impactful applications are funded in Gavi 5.1 and resources are managed sustainably should prioritisation be required. Beyond the review for an update of the mechanism for Gavi 5.1 that is presented in this paper, a further, more comprehensive update will take place in 2025. This will allow for the potential integration of learnings should the mechanism have been needed

¹¹ In order to address the higher demand from countries for Gavi 5.1 programmes, the AFC at its November meeting is reviewing a proposal:

- To allocate the unprogrammed US\$ 199 million of COVAX AMC future interest income to Gavi 5.1 programmes (subject to Board approval); and
- Conditional on the conclusion of a COVAX AMC donor repurposing agreement to the FRF (due before the Board), allocate an additional US\$ 318 million of COVAX AMC realised interest to further support Gavi 5.1 programming (subject to Board approval).

The proposed allocations of interest income would reduce the number of country applications potentially subject to the prioritisation mechanism but equally, would reduce available assured resources for 6.0.

to be applied in 5.1 and allow for further analyses and consultations to ensure it is fit-for-purpose for Gavi 6.0.²

- 1.5 **The prioritisation mechanism is not a policy for recalibrating the strategic priorities and resources for Gavi 6.0.** This is planned to be addressed through a separate Board-led process post-replenishment in 2025.
- 1.6 **The review is grounded in a consultative process.** Given the short timeframe available, the Secretariat prioritised consultations with the Special Advisers of implementing country Board and Committee members and Alliance partners.
- 1.7 **The PPC convened in November 2024 to discuss the updated prioritisation mechanism.** The PPC supported updating the mechanism to ensure it is fit for purpose for the 5.1 period, with a request to consider how country priorities for Gavi support could be taken into account in the mechanism. The PPC requested further detail on the financial situation to be provided at a closed meeting of the Board during the upcoming Board meeting in December 2024. The PPC also requested the policy to state that the AFC would first confirm a mismatch of demand and resources before the mechanism gets used. Moreover, the PPC confirmed the importance of reviewing and revising the mechanism prior to the start of the 6.0 period to take into consideration the anticipated changes to Gavi's strategic priorities and operating model.

2. Key changes to principles of the prioritisation mechanism

Summary of proposed changes to principles:

| | Existing mechanism | Proposed updated mechanism |
|------------|--|--|
| Principles | Previously termed 'operating guidelines': Objectivity, transparency, feasibility | Keep existing principles and add 'simplicity', 'continuity of support' and 'predictability of support' |

- 2.1 **The existing mechanism has three principles: objectivity, transparency and feasibility.** In addition to the existing principles, it is proposed that 'simplicity' is added to ensure ease of implementation of the methodology. **It is also proposed that two new principles are included that guide the scope of the policy:**
 - **Continuity of support for existing programmes:** relates to seeking to minimise disruptions to on-going programmes and activities by honouring binding commitments of support which has been communicated to countries via decision letters³ after recommendation for approval by the IRC.

² For example with regards to 6.0 strategic priorities and operational aspects such as the planned consolidation of funding levers.

³ The decision letter details the terms of a new approval or a continuation of Gavi support, following an independent review of the application in the case of the former and of the country annual progress report in the case of the latter.

Consultations with country representatives highlighted this type of support should be prioritised.

- **Predictability of support for planned programmes:** relates to upholding implied commitments of support that have been communicated to countries (i.e. country support for which country-specific funding envelopes have been communicated). The principle highlights that support countries have been planning for should be honoured and countries applying later in a strategic period should not be disadvantaged.

3. Key changes to scope of the mechanism

Summary of proposed changes to the scope:

| | Existing mechanism | Proposed updated mechanism |
|--|--|---|
| Category of country applications in scope | Applications recommended for approval by the IRC round that triggers the mechanism | To prioritise the most impactful country applications: <ol style="list-style-type: none"> Applications forecasted for the remainder of 5.1 Applications recommended for approval by the IRC round that triggers the mechanism Applications previously recommended for approval by the IRC with no decision letter issued yet To uphold the principle of continuity of support, ongoing country support (after issuing of decision letters) continues to be out-of-scope. |
| Types of country support in scope | New Vaccine Support applications from countries | <ol style="list-style-type: none"> New Vaccine Support applications Cash grants with no communicated ceilings (Innovation Top Up) To uphold the principle of 'predictability of support' cash grants with communicated ceilings (incl. Health System Strengthening, Equity Accelerator Funding, Targeted Country Assistance) continue to be out-of-scope. |

- 3.1 **The current policy only has new vaccine and directly associated cash support in scope, and only applies to country applications recommended for approval by the specific IRC round for which it is triggered.** It does not consider the possibility to retain some funding for future priority applications nor 'looks backwards' at applications recommended for approval by previous IRC rounds but with no decision letter issued yet. **The proposed updates are guided by the new principles of continuity and predictability of support.**

(i) Categories of country applications

- 3.2 **At any time, country applications can be in any of four categories:** (i) country applications forecasted for the remainder of Gavi 5.1; (ii) country applications recommended for approval by the IRC round that triggers the mechanism⁴; (iii) country applications previously recommended for approval by the IRC with no decision letter issued yet⁵; or (iv) disbursement and implementation of the applications after issuing the decision letter.

⁴ Also includes Secretariat-led reviews and IRC ad-hoc reviews

⁵ The period between the approval of an application and the issuing of a decision letter involves issue resolution and the formal approval of the application

- 3.3 **The mechanism would be applied to the first three categories of country applications with each regular IRC round as the trigger.** This approach ensures that Gavi prioritises the most impactful country applications across these three categories irrespective of where they are in the application process or their review timing, thereby minimising the cumulative impact of deprioritising applications on Gavi 5.1 mission indicators and strategic goals. It also minimises ‘first come, first served’ funding as much as possible. The mechanism will apply to both IRC and Secretariat-led reviews of country applications. In line with the principle on continuity of support for existing programmes, country applications in the fourth category are proposed to be considered out-of-scope of the updated mechanism.

(ii) Types of country support

- 3.4 **New vaccine support:** The proposed scope of the updated prioritisation mechanism continues to encompass new vaccine support applications alongside their directly associated cash support⁶ as available funding envelopes are not communicated to countries upfront and therefore the principle of predictability does not apply. This includes routine introductions, preventive, follow-up and catch-up campaigns, and vaccine switches that are not mandatory and come at a higher incremental cost to Gavi, along with their respective cash support as well as vaccine catalytic support for Middle Income Countries (MICs)⁷. Outbreak response⁸ is excluded based on public health impact and because stockpiles are managed via the International Coordinating Group (ICG) and the Measles & Rubella Partnership.
- 3.5 **Other cash support (incl. country technical assistance):** Only innovation top-ups (ITU) are proposed to be in scope of the updated mechanism. All other cash funding levers, have country envelopes previously communicated to countries during the Gavi 5.0/5.1 period and following the principle of predictability of support are proposed to be out-of-scope. This applies to Health Systems Strengthening (HSS)⁹ support, Partner’s Engagement Framework (PEF) Targeted Country Assistance (TCA), the Equity Accelerator Fund (EAF), the Cold Chain Equipment Optimisation Platform (CCEOP), and MICs technical assistance and targeted interventions.¹⁰ Switch cash grants¹¹ are also excluded from the scope of the mechanism, as they are a continuation of ongoing routine immunisation support, can be requested due to factors outside of the country’s control (e.g. supply constraints) and might result in cost savings for countries and Gavi. The exclusion of cash support from the updated mechanism will also

⁶ Vaccine Introduction Grants (VIGs) for routine immunisation, operational cost grants (Ops) for campaigns and switch cash grants for any vaccine switch in scope of the mechanism

⁷ Excluding IPV support, therefore support for hexavalent vaccines for former Gavi-eligible countries is out-of-scope of the mechanism as it does not come at an incremental cost to Gavi.

⁸ Defined as applications for vaccine stockpiles governed by the international Coordinating Group (ICG) and preventative Ebola programmes as these also use stockpile doses.

⁹ This includes HPV top-up

¹⁰ COVID-19 Delivery Support (CDS) is excluded from the Prioritisation Mechanism as it is funded by the COVAX Advance Market Commitment (AMC), which currently faces no risk of a funding gap.

¹¹ Except for switch cash grants directly associated with vaccine switches in scope of the mechanism

help protect the achievement of Gavi's Strategic Goal 2 (strengthen health systems to increase equity in immunisation) as these are key contributors to extending the reach of immunisation to zero-dose children and missed communities. This approach also reflects the challenges of comparing the impact of vaccine and cash support towards Gavi's strategic goals by means of a ranking.

- 3.6 **The threshold for any application to be in scope of the prioritisation mechanism** is set at US\$ 50,000. Applications valued at equal or less than US\$ 50,000 are considered immaterial and would not be in scope for deprioritisation.

4. Key changes to objectives of the mechanism and their weighting

Summary of proposed changes to objectives:

| | Existing mechanism | Proposed updated mechanism |
|------------|---|---|
| Objectives | <ul style="list-style-type: none"> • (SG1) Maximise health impact (30%) • (SG1) Maximise value for money (30%) • (SG2) Promote equitable distribution of Gavi's resources among countries (each country can only prioritise one application) • (SG3) Reinforce financial sustainability of immunisation programmes (25%) • (SG3) Support countries with the greatest needs (15%) | <p><i>Changes to objective names to better reflect intention</i></p> <p>No change:</p> <ul style="list-style-type: none"> • (SG1) Minimise loss of health impact (30%) • (SG1) Maximise value for money (30%) <p>Refined indicators:</p> <ul style="list-style-type: none"> • (SG3) Safeguard financial sustainability of programmes (30%) • (SG3) Support countries with greatest needs indicator moved under 'financial sustainability' objective • (SG2) Maintain equitable access to vaccine (10%) <p>New:</p> <ul style="list-style-type: none"> • (SG1) Minimise risk of disruptive future outbreaks and impact on global health security (qualitative assessment) • (SG4) Minimise risks to market health (qualitative assessment) |

- 4.1 **The goal of the updated mechanism is to protect the achievement of Gavi's mission indicators, and strategic goals and objectives, to the extent possible in cases where there is a mismatch of demand and resources. The objectives of the mechanism have been updated to reflect this goal.** Each proposed objective is weighted based on its relative importance for the intended prioritisation outcome and linked to specific indicators as described in section 6.
- 4.2 **Gavi 5.1 SG 1 "Introduce and scale up vaccines".** Existing objectives of the mechanism under this goal, i.e. (a) 'Minimise loss of health impact' and (b) 'Maximise value for money', are retained as they are still fit for purpose, not only aligning with Gavi's mission indicators but also SG 1b¹². They are complemented by one new objective in line with SG 1c (c) 'Minimise risk of disruptive future outbreaks and impact on global health security'. This addition

¹² SG1b. Support countries to introduce and scale up coverage of vaccines for prevention of endemic and epidemic diseases

reflects the Alliance's commitment to outbreak, epidemic and pandemic preparedness and response and low risk appetite for vaccine preventable disease outbreaks¹³, following the aftermath of the COVID-19 pandemic and the new challenges to global health security from a rising number of vaccine preventable disease outbreaks, including those more likely to occur as a result of climate change.

- 4.3 **Gavi 5.1 SG 2 “Strengthen Health Systems to increase equity in immunisation”.** The existing objective is refined as (d) ‘Maintain equitable access to vaccines’. For the updated mechanism this will reflect inter-country equity¹⁴ through the introduction of an indicator that tracks how many of the total number of vaccines each country is eligible to introduce it has already introduced.
- 4.4 **Gavi 5.1 SG 3 “Improve Financial sustainability of immunisation programmes”.** The existing objective is refined as ‘Safeguard financial sustainability of immunisation programmes’. New vaccine support applications from countries that have been struggling to meet their co-financing commitments for their existing programmes will be scored lower. In addition, the existing objective ‘support countries with greatest need’ capturing countries’ ability to pay is included under this objective, in line with Gavi’s focus on prioritising support for the poorest countries.
- 4.5 **Gavi 5.1 SG4 “Ensure Healthy Markets for vaccines and related products”.** The updated mechanism introduces a new objective (g) ‘Minimise risks to market health”, reflecting an objective to prevent, to an optimal extent, retrograde impacts to vaccine markets in a funding-constrained environment. Cases where the medium-term impact on the market in question is assessed as ‘high’ (see Annex B) will be identified.
- 4.6 **The mechanism differentiates between ranking and non-ranking objectives: ranking objectives can be quantitatively assessed** by means of an indicator and are used to generate the primary ranking of country applications; non-ranking objectives entail a qualitative risk-assessment and are used to identify critical risks associated with the primary ranking of specific country applications.
- 4.7 **The proposed weighting of the ranking objectives is defined based on their relative importance.** SG 1 Objectives on (a) Minimise loss of health impact and (b) Maximise Value for money are assigned the highest weight of 30% as they also directly impact Gavi’s mission indicators. Equity (SG 2) is assigned 10% reflecting its importance in Gavi 5.1 while also acknowledging the lack of an indicator on intra-country equity. Finally, the objective under SG 3 (financial sustainability) is given a weight of 30%, highlighting the need for Gavi to protect the financial sustainability of immunisation programmes.

¹³ See Gavi Risk Appetite Statement December 2023 and related Risk Appetite Operationalisation Guidance.

¹⁴ For the Gavi 6.0 prioritisation mechanism an additional indicator reflecting the impact of vaccine support on intra-country equity will be explored.

5. Key changes to the methodology

- 5.1 **Certain indicators have been updated to better reflect the updated objectives.** Further details are available in Annex B.
- 5.2 **The methodology is applied in a two-step process:** 1) New vaccine support applications are scored against the ranking objectives and weighted to provide a ranking of the individual country applications in scope (see Annex B for updates to indicators), and 2) of those new vaccine support applications that fall below the cut-off based on the funding available, the non-ranking objectives are considered and used to flag significant risks of deprioritisation. If these risks are considered high, the Secretariat may prioritise these applications over the applications above the cut-off. This allows for trading off applications in the name of protecting more vulnerable markets or preventing disease outbreaks. Further details are available in Annex B.
- 5.3 **The ITU support that is also in scope of the updated mechanism would be deprioritised first** and be added to the bottom of the ranking.
- 5.4 **Where countries submit routine and catch-up applications for the same antigen jointly¹⁵,** these applications will be scored as one such that either both are prioritised or neither are prioritised through the mechanism. This reflects the programmatic requirements per Strategic Advisory Group of Experts (SAGE) on Immunization recommendations¹⁶.

6. Considerations around inclusion of country priorities in the mechanism

- 6.1 **The PPC asked the Secretariat to consider integrating country priorities in the updated 5.1 prioritisation mechanism,** acknowledging that country decisions to apply for Gavi support are already grounded in their own priorities. The proposed approach for including country priorities is described below and in Annex B for consideration by the Board.
- 6.2 **Approach:** Countries with application(s) that have been prioritised in the current prioritisation round may choose to instead fund an IRC recommended application(s) that was deprioritised in the same round if the cost of the deprioritised application(s) is equivalent to or less than those initially prioritised (see Annex B for more detail).
- 6.3 This approach would provide those countries with prioritised applications with the ability to better align Gavi support with their national priorities. This would come at the cost of **introducing significant complexity** into the mechanism that would lead to a longer timeframe for decision-making as final rankings are established with country input, and **less transparency** on the methodology applied to establish the ranking of applications. **The outcome is likely to be**

¹⁵ For example, catch-up campaigns associated with vaccine introductions of MR, TCV, HPV, JE, MenA, MMCV, PCV and YF

¹⁶ Country applications for different antigens that are submitted jointly (e.g. for TCV and Rota) will be considered separately

that applications are prioritised that are less impactful in protecting achieving Gavi 5.1 strategic goals and therefore not in line with the objectives of the mechanism (see section 5.1). The established ranking could be perceived as inequitable as equivalent applications from other countries are deprioritised.

- 6.4 **Guidance is requested from the Board whether it wishes to retain this approach in the updated 5.1 mechanism.** Alternatively, country priorities could be considered for the update of the mechanism for Gavi 6.0, at which point Alliance support for vaccine prioritisation will be better defined (see doc 06) and could feed into country decision-making.

7. Process for applying the mechanism

- 7.1 **When the Secretariat projects a mismatch of demand and resources, the AFC will be notified and requested to approve the mismatch, as well as confirm the value of support that is available for prioritisation. This approval would trigger the use of the mechanism** at the next regular IRC round. Every subsequent regular IRC meeting triggers the next prioritisation round until there is no mismatch.
- 7.2 **If there are ties in the ranking, and a tie-break is required, the health impact indicator will be used,** per the current policy.
- 7.3 **In each prioritisation round applications in the three relevant application categories (see Figure 2) are ranked,** and available funding allocated to cover the top country applications in the ranking regardless of the application category. Therefore, some funding will be retained for applications expected to be high ranking that are forecasted for subsequent prioritisation rounds. Country applications will move between application categories between IRC rounds and where individual country applications are not prioritised in the ranking of a prioritisation round, they will automatically go into the next prioritisation round.
- 7.4 **The mechanism applies to country applications with disbursements expected in Gavi 5.1.** In practice, it is therefore expected that the mechanism, if activated, would only be applied until the June 2025 IRC round as applications coming after that will likely only be ready for disbursement in Gavi 6.0.
- 7.5 **When the mismatch is closed,** deprioritised applications that the IRC had recommended for approval will remain considered as recommended and progress through to issuing decision letters.
- 7.6 **When applied by the Secretariat, the results of the prioritisation process** will be reported to the PPC and the Board.

8. Next steps

- 8.1 **A simulated ranking of country applications applying the proposed updated prioritisation mechanism** will be shared with the Board ahead of the December Board meeting.
- 8.2 If approved by the Board, going forward, should the AFC confirm a funding mismatch at any point during the Gavi 5.1 strategic cycle, **the proposed updated prioritisation mechanism would be applied.**
- 8.3 **The next step of the review of the prioritisation mechanism will take place in 2025.** This will inform the final version that will be brought back to the PPC and Board in the second half of 2025 to ensure alignment and fit for purpose for 6.0.

Annexes

Annex A: Proposed Prioritisation Mechanism for Gavi's support to countries, as amended by discussions at the PPC

Annex B: Additional detail on updates to the mechanism and simulated ranking of country applications

Appendices

Appendix 1: Current Prioritisation Mechanism for New Vaccine Support Policy:
<https://www.gavi.org/sites/default/files/document/gavi-alliance-prioritisation-mechanismpdf.pdf>

Appendix 2: Gavi 5.1 strategy One-pager:
<https://www.gavi.org/sites/default/files/board/minutes/2019/Gavi%20strategy%202021-2025%20one-pager.pdf>

Appendix 3: (in November 2024 PPC meeting book): Doc 02 *Update of the Prioritisation Mechanism for Gavi's Support to Countries*

Appendix 4: Simulated ranking of applications