

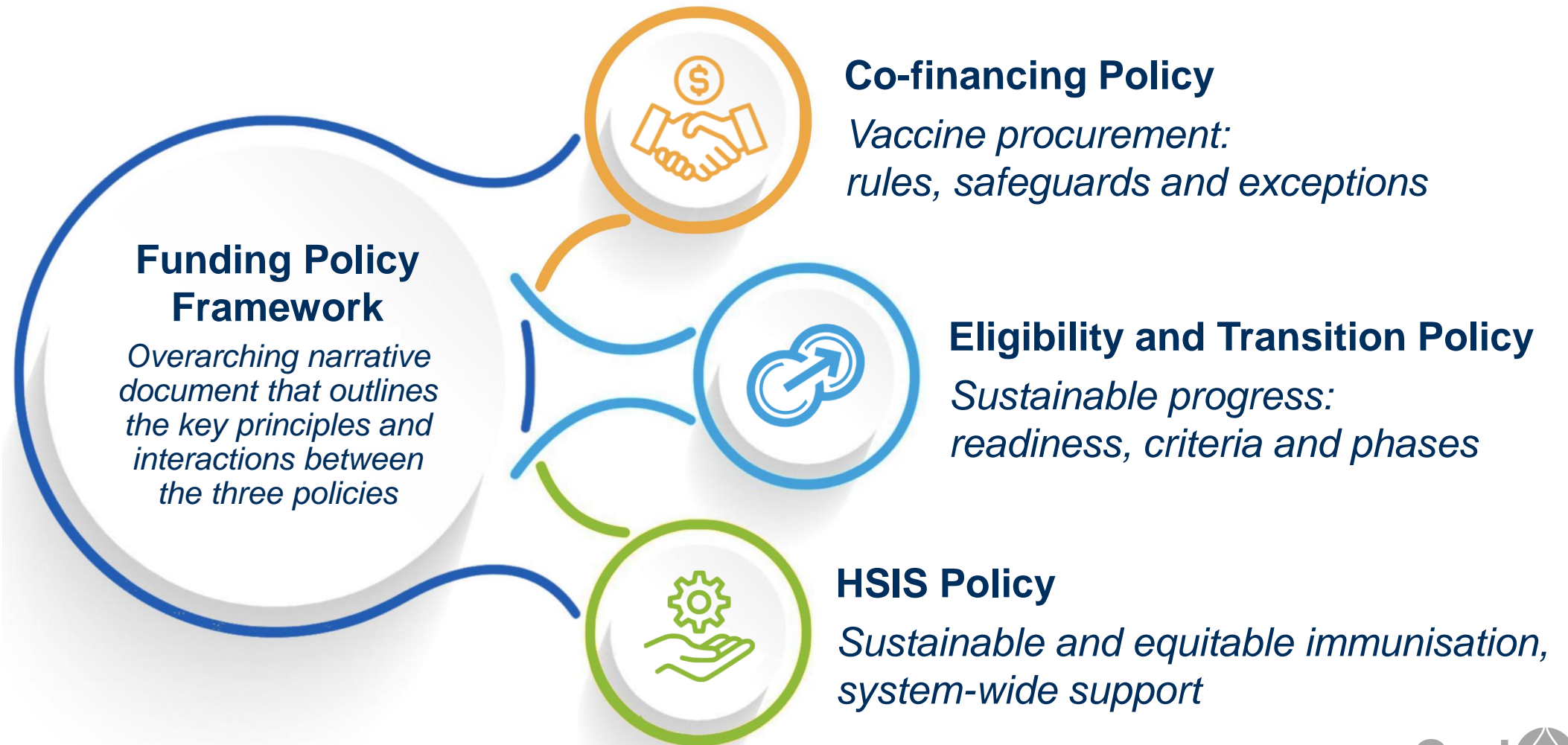
FUNDING POLICY REVIEW

BOARD MEETING

Marta Tufet, Emmanuel Bor

7-8 December, Geneva, Switzerland

The Framework on Gavi Funding to Countries offers a narrative of the three policies' principles and interactions



While co-financing has been successful, accelerated transition countries are facing increased fiscal challenges

Current AT countries have a lower baseline...

...and are facing greater economic uncertainty

	Graduated countries	Countries currently in accelerated transition
Average GNI p.c.*	US\$ 3,300	US\$ 2,400
Countries with <85% DTP3 Coverage	25% (n = 16)	38% (n = 8)
Average spending on vaccines by General Government Health Expenditure-Domestic (GGHE-D)**	0.12%	0.55%

- Economic impacts of **COVID-19 pandemic** and **war in Ukraine**
- **70% of accelerated transition countries are likely to see contraction or stagnation** in health spending
- **Increase in debt levels** in countries in accelerated transition will further decrease health spending by 5%

Countries in accelerated transition have voiced strong concerns over the feasibility of transition timelines

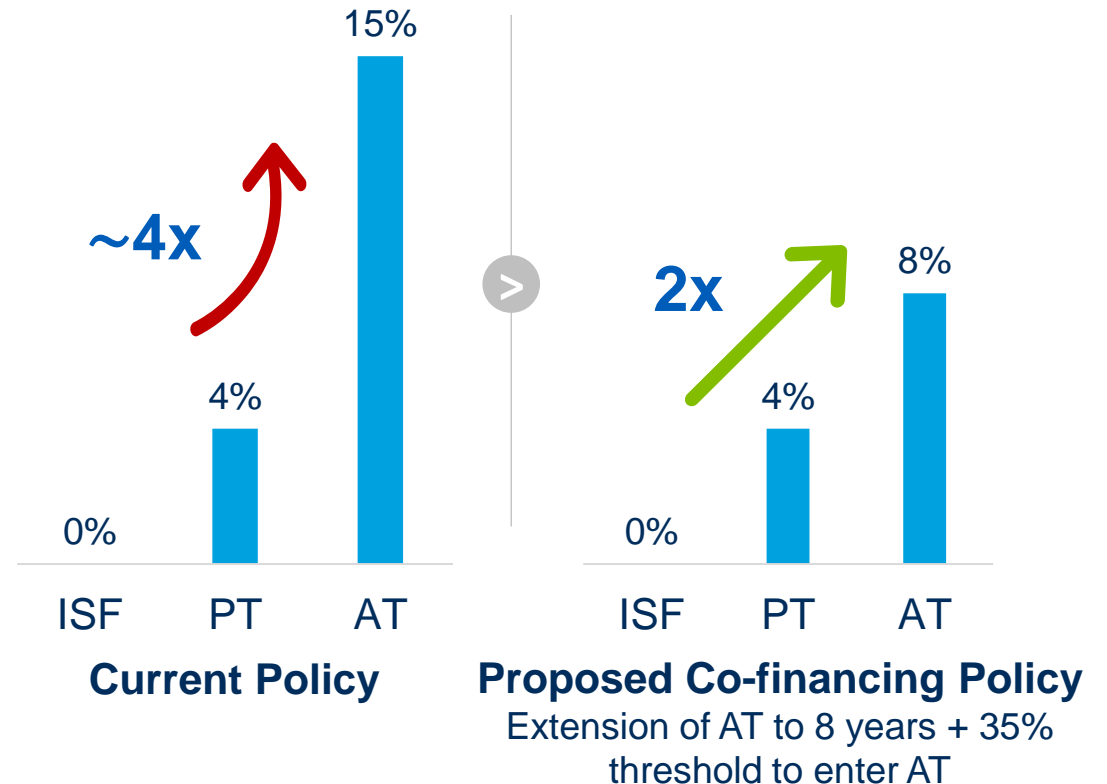
Extending the duration of accelerated transition phase enables sustainable increases in co-financing

Entry to accelerated transition
(New) 35% co-financing threshold to enter phase

Country	% co-financing when entering accelerated transition
Bangladesh	12%
Cote D'Ivoire	17%
Djibouti	20%
Kenya	11%

Duration of accelerated transition
Extension of phase from 5 to 8 years

Average annual percentage point increase in co-financing



These adjustments will strengthen financial sustainability, reduce the risk of unsuccessful transition and reduce ad hoc exceptions

Exceptional, time-limited approach to malaria co-financing would facilitate affordability and support uptake

Context

- **Very high demand** from implementing countries
- Feedback from the Board to **ensure vaccine affordability** for implementation **starting 2023**
- Malaria vaccine is **currently very expensive at EUR 9.30/dose**
- **40% of the global malaria burden** is in countries in accelerated transition

Risks of inaction

- **Displacing vaccine financing** from other programmes
- **Lives lost and lack of health impact**



Consultations heard **strong support for the proposed approach** from **malaria-endemic countries** and **Alliance partners**

Recommendation

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 11a.

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

- a) **Approve** the revised Eligibility & Transition Policy attached as Annex A to Doc 11b.
- b) **Approve** the revised Co-financing Policy attached as Annex B to Doc 11b.
- c) **Approve** the exceptional time-limited approach to malaria vaccine co-financing as follows, to be reviewed by the Programme and Policy Committee no later than 2027:
 - i. For initial self-financing countries: Country contributes US \$0.20 per dose (no annual increase).
 - ii. For preparatory transition countries: Country co-financing starts at US \$0.20 per dose in the first year of introduction and the price fraction increases by 15% annually.
 - iii. For accelerated transition countries: Country contributes 20% of the price fraction in the first year of introduction and increases co-financing by 10 percentage points annually. Country should reach 100% co-financing after 8 years.
- d) **Note** that the Secretariat will return to the Programme and Policy Committee on malaria co-financing should market conditions change significantly.

Thank you