

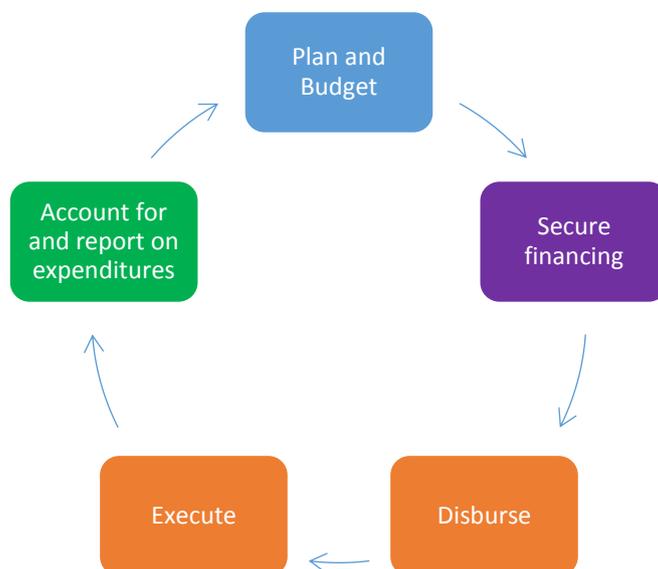
Immunisation Financing: Planning, Budgeting, Allocation, Disbursement, Execution and Reporting

Considerations for Country Dialogue

Planning, budgeting, allocating, disbursing, executing and accounting for the resources required by immunisation programmes are essential functions that governments must perform to achieve and sustain high and equitable coverage. While different countries have their own systems and approaches (e.g., some countries may have separate budgets for recurrent costs and capital investments, some countries may have immunisation or vaccine budget lines, some countries may have decentralised government structures), there are a number of common elements across this “financing continuum” which must be adequately assessed and understood not only to identify bottlenecks but also determine possible remedial action.

This note examines issues to consider with respect to (i) planning and budgeting, (ii) securing funding for immunisation, (iii) disbursing and executing available resources, and (iv) accounting for and reporting on domestic expenditures. In each case, it briefly considers what the issue is, discusses what “country success” looks like in this area at the point of transition (to provide a comparator point), identifies a few questions that can serve to trigger discussions, and provides some concrete examples of possible approaches in each area. Throughout this dialogue, it is important to bear in mind that financing and public financial management issues have an immunisation-specific component over which the EPI has direct control and management responsibility, as well as a broader, systemic elements, which are beyond the EPI’s direct sphere of command, but which it must carefully understand and influence to maximise immunisation outcomes.

Figure: Schematic representation of financing cycle



1. Planning, costing and budgeting

1.1 What is the issue?

Being able to develop strategic, prioritised plans and budgets is critical to steer immunisation programmes towards improved management, performance and efficiency. On the one hand, clarity about medium- and short-term programme objectives and strategies is essential to align different partners, enhance

accountability and promote continuous course correction. On the other, a credible, transparent budget is key to mobilise resources and ensure effective financial management. In practical terms, this implies two main inter-linked components:

- i. a *medium-term*, costed strategic plan, which identifies the medium-term priorities and goals to be pursued by the immunisation programme as a whole, outlines the main strategies for their achievement and estimates the financial resources that must be mobilised for this purpose
- ii. *annual* operational plans, which translate broader medium-term strategies and plans into specific, costed activities and related inputs

Annual immunisation operational plans should clearly demonstrate how they contribute to the achievement of the medium-term strategic plan. Importantly, immunisation does not exist in isolation from other health programmes; hence, immunisation-related planning priorities and resource needs should be reflected, as appropriate, in broader national health plans and budgets to capture relevant synergies and ensure their programmatic consistency.

1.2 At the time of transition, what does “success” look like in this area?

At the end of Gavi support, it is expected that countries should be able to develop (i) costed medium-term immunisation plans aligned with national health plans and strategies and (ii) annual immunisation operational plans, with accurate budgets, which should be adequately reflected in the national annual health budget.

1.3 Examples of questions for discussion

The questions below discuss issues related to current government capacity on planning, budgeting and forecasting, the accuracy of inputs costs used, the consistency among different geographical and thematic plans, and the implications of possible institutional reforms.

- Has the country already demonstrated capacity to develop a medium-term strategic plan for immunisation? What about annual plans?
- Can the country forecast volumes and estimate funding needs for Gavi and non-Gavi vaccines over the medium-term (e.g., five years)?
- Are immunisation program budgets developed on the basis of appropriate assumptions (e.g., wastage and coverage rates) and robust information about the cost of inputs (e.g., vaccine prices)?
- Have service delivery costs been accounted for when estimating funding needs?
- Has all “hidden” or “off-budget” support (e.g., secondments, ‘routine’ activities which are done with polio funds, etc.) been included as well?
- Do plans account for any increases in co-financing commitments in coming years?
- Are annual operational plans consistent with medium-term plans (e.g., do they have the same goals such as coverage targets, or vaccine introductions)? If not, why not?
- Are different plans (e.g., EVM improvement plan, data improvement plan, etc.) harmonised and internally consistent?
- Does the central government have visibility into what is being done/planned at lower levels (e.g., micro plans)? Are these consistent with national operational plans?
- Are any health reform initiatives planned or underway that might affect the immunisation programme?
- Do plans discuss how activities will be prioritised in case of budget shortfalls?

1.4 Examples of possible activities and interventions in this area

Strengthening national capacity in the area of planning, costing and budgeting requires a multi-pronged approach that seeks to ensure that the right number of people, skills and processes, are in place to develop and monitor multi-year as well as annual plans and budgets¹. Below are examples for consideration:

- Assess MoH/EPI capacity in the areas of planning and budgeting, including the availability of the appropriate number of staff with the right skillset
- Develop tailored MOH/EPI capacity strengthening programme (e.g., through in-class or on-the-job trainings, embedding of external support, etc.) for planning and budgeting
- Explicitly map and agree on roles and responsibilities for planning and budgeting among all stakeholders involved in the process, including different government levels (e.g., local, provincial and central levels), government agencies and/or units (e.g., EPI Planning team, Ministry of Finance, MoH planning team, etc.), and partners (e.g., WHO, UNICEF, etc.) – this can also address disbursement and execution issues (see below)
- Establish a more formalised dialogue process between MoH/EPI with Ministries of Finance and Planning to improve coherence with overall budgeting processes
- Engage/follow-up with Ministries of Finance and Planning during the formulation of Medium-Term Strategic Frameworks (MTEFs) and in the development of annual government budgets

2. Funding for immunisation

2.1 What is the issue?

Sufficient financial resources are necessary to purchase the inputs required for the proper functioning of the immunisation programme, and bottlenecks in the availability of particular inputs may severely impede the functioning of the system and lead to waste and inefficiencies. For example, lack of funds for the procurement of vaccines or for the implementation of outreach strategies may prevent health workers from ultimately discharging their immunisation responsibilities.² Therefore ensuring that the immunisation programme – both vaccines and service delivery – is adequately resourced as a whole is crucial to the achievement of programme outcomes.

2.2 At the time of transition, what does “success” look like in this area?

As countries’ economies grow, their capacity to mobilise domestic resources increases, and it is expected that at the end of Gavi support countries should fully finance with domestic resources all aspects related to their immunisation programmes, including vaccines (both Gavi and non-Gavi) as well as service delivery and operational costs.

2.3 Examples of questions for discussion

The questions below discuss issues related to the broader macroeconomic and health financing context, quantification of immunisation financing needs, sources of financing, trends of government financing for immunisation, history of co-financing and the institutional-legal architecture of immunisation financing.

- What is the overall macroeconomic environment? Is the economy expanding or contracting? What about government revenues and expenditures?

¹ Please refer to the LMC (Leadership, Management and Coordination) strategic focus area for specific guidance and information on strengthening EPI programme management capacity.

² Although beyond the scope of this note, it is equally critical to ensure adequate funding is available for the common health systems platform (e.g., salaries of health workers, etc.) upon which immunisation service delivery depends.

- What is the share of government resources spent on health?
- What proportion of these funds are allocated for tertiary care versus primary care?
- What are the current/expected financing needs of the immunisation programme, including Gavi and non-Gavi vaccines?
- What are the sources of financing for vaccines and service delivery?
- Do other donors contribute to the immunisation programme? If so, how predictable is their support?
- How is immunisation-related funding reflected in the government budget (e.g., budget line for vaccines/immunisation)?
- How does immunisation financing fit within broader national health financing strategies and, if applicable, in national health insurance schemes? Does the EPI take part in these policy dialogues?
- In countries where an explicit benefits package has been defined, are all relevant vaccines covered by the 'minimum package' of services?
- How are funds for service delivery allocated and delivered?
- What are the trends in the availability and utilisation of domestic resources for immunisation over the last five years?
- Is there information about the government's immunisation budget for next year? If so, is it expected to increase in comparison with this year's budget?
- Is sufficient funding assured for both vaccine procurement and service delivery, or are gaps already expected?
- Has the country previously defaulted on its co-financing obligations? If so, what was the reason (e.g., lack of funds, issues with public financial management, misalignment with fiscal year, etc.)?
- Is the immunisation budget protected (e.g., ring-fenced through legislation) from eventual cuts that might affect the government's overall budget?

2.4 Examples of possible activities and interventions in this area

Securing sufficient funds for immunisation requires a combination of different strategies and approaches, all of which must reflect country-specific political economies, structures and institutional arrangements: whether public administration is centralised or decentralised, whether health financing is mostly the responsibility of the State, whether the private sector plays a significant role, whether a "benefits package" has been defined, etc. Possible interventions include:

- Ensure that estimates of resource needs and resources available are up-to-date, comprehensive and harmonised with country estimates and other donors
- Engage technical experts to explore different funding sources that might complement current financing, while bearing in mind their impact on other sectors of the economy (e.g., raising a tax may have negative externalities on the economy)
- More firmly position (and support advocacy efforts to this end) immunisation as an indispensable element of strong primary health care systems, without which universal health coverage cannot be achieved
- Gather evidence on the allocation of resources between primary and tertiary care and advocate, as appropriate, for greater emphasis of funding for primary health care
- Strengthen advocacy efforts to build political support and commitment for health and immunisation financing among all stakeholders involved, including communities, Parliament and the Executive at all levels, based on appropriate country-relevant data

- Improve the use (and generation, if needed) of country-specific data on the economic benefits and impact of immunisation with different stakeholders, including Ministries of Finance and Planning
- In decentralised settings, assess adequacy between responsibilities and funding allocations (e.g., what the different levels are expected to do and the financial resources allocated to deliver on them, or the ability of lower-level entities to raise additional funding, if relevant)
- Engage with relevant national authorities (e.g., finance focal points in Ministries of Health, or Ministries of Finance and Planning) and partners (e.g. World Bank or others) working on the development of benefits package (e.g., by supporting the costing of vaccine/immunisation components)

3. Disbursement and execution

3.1 What is the issue?

Even if a decision to fully fund the immunisation programme is taken at the political level, and approved budgets do include the required resources, bottlenecks in the disbursement and execution of funds may prevent funding from reaching its intended beneficiaries and, therefore, the programme from reaching its desired outcomes.

Disbursement delays may occur for a variety reasons: some may be resolved by improved process management (e.g., by clarifying roles and responsibilities among different stakeholders), while others may be related to lack of capacity or higher-level constraints (e.g., cash flow management at the Ministry of Finance, leakages in the system) whose resolution may necessitate intensified dialogue and negotiation. Similarly, execution may be affected by a range of possible bottlenecks, such as lack of absorptive capacity (e.g., lack of qualified professionals, vehicles or fuel at the service delivery to perform outreach activities) or inadequate or non-existing systems (e.g., in case of newly-decentralised health systems). Understanding the reasons for such delays is key to design appropriate responses.

3.2 At the time of transition, what does “success” look like in this area?

A robust public financial management system is one that can ensure the timely availability of financial resources to the different entities (e.g., central-level EPI, provincial-level governments, health facilities, vaccine procurement agents, etc.) in charge of managing the different aspects of the immunisation programme to ensure the prompt availability of the inputs – commodities, people, physical infrastructure, etc. – needed by the immunisation programme.

3.3 Example of questions for discussion

- To what extent is the immunisation programme *allocated* sufficient resources to reach its stated objectives?
- To what extent are these allocations translated into actual *disbursements* to the intended agencies (e.g., central level or health facilities)? If there are problems, are they worse in certain areas?
- To what extent are funds disbursed actually *spent* as per annual operating plans?
- Are there delays between budget preparation, approval, disbursement and execution? If so, what is the reason and at what stage is the problem most acute?
- Is the government’s disbursement plan (as well as donors’) aligned with programme needs? (e.g., in some countries, the disbursement plan may envisage constant disbursements throughout the year, while the procurement of vaccines or the implementation of a campaign necessitates large one-off outlays)

- Is there a mapping of the different actors (e.g., Ministries of Health, Planning and Finance, Central Bank, Treasury), and their respective responsibilities, involved in the planning and disbursement process? Does this mapping reflect a shared understanding of roles among all actors involved?
- Are budgeted funds for vaccine procurement released in a timely manner? Does late disbursement impede procurement?
- Is funding timely available at the service delivery level?
- Are mid-term reviews performed to routinely assess budget implementation?

3.4 Examples of possible activities and interventions in this area

Major bottlenecks in public financial management systems often reflect wider systemic constraints whose resolution is often well beyond the scope of the EPI or of Gavi's technical assistance. Nevertheless, understanding the extent to which public financial management blockages exist and, if so, where they originate from, is critical to better target advocacy efforts and, if needed, engage a suitable partner with specific capacity in this area. For example, Alliance partners such as the World Bank may have the appropriate mandate and expertise in this area, and Gavi may co-invest alongside these organisations to diagnose problems and generate solutions at the health sector level. Possible approaches include:

- Leverage existing sources of information and analyses, some of which may not be publicly available due to data sharing constraints but may be shared directly by providers
- Support partners with comparative advantage in the area to perform or update relevant analyses, and to provide technical support
- Increase awareness at the country level of the existence of public financial management constraints, both at the national and sub-national levels (as appropriate)

Leveraging IMF and World Bank analytical products

The World Bank and the IMF engage in a number of processes and produce various analytical products that can be very useful to inform discussions on public financing, public financial management and immunisation financing more specifically.

The IMF regularly produces annual reports (called Article IV Consultation reports, available on the IMF website) that assess an economy's overall health, main challenges, bottlenecks and perspectives (including economic projections). These can be useful to understand, for instance, the extent to which there are important opportunities for or constraints on government expenditures, or high-level issues with government expenditure priorities. Similarly, the IMF also plays a critical role, through its advice and lending programmes, in broader macroeconomic reforms, many of which can lead to substantial changes in expenditure levels, budget allocations and relative prioritisation (which may impact health and immunisation).

The World Bank is actively engaged in the analysis of different aspects of public financing systems as well as in policy dialogues with governments on health financing reforms that can have direct repercussions on immunisation financing (e.g., designing of health insurance schemes, definition of benefits packages, etc.). In many countries, assessments of public financing and expenditures may be available, including:

- *Public Expenditure Reviews (PER)*³ analyse government expenditures over a period of years to assess their consistency with policy priorities, and what results were achieved. A PER may analyse government-wide expenditures or may focus on a particular sector as health, education, or infrastructure. By examining how public expenditures are allocated and managed, governments and partners are better able to assess not only the impact of their investments, but also the effectiveness of budget planning and execution.

- *Health Financing System Assessments (HFSA)* review, inter alia, the levels and trends of health financing, as well as the different sources through which the delivery of health services is financed (e.g.,

³ <http://wbi.worldbank.org/boost/tools-resources/public-expenditure-review>

government, health insurance, out-of-pocket, external financing) and their relative efficiency. Gavi has actively supported the implementation of HFSA with a specific immunisation component.

- *Public Expenditure Tracking Surveys (PETS)* seek to track how funds are transferred among public sector agencies and frontline service providers, and the extent to which these funds are translated into intended good and services. It focuses on collecting micro-level data on the characteristics of the service facility, the nature of financial flows from facility records, outputs, and accountability arrangements.

4. Accounting for and reporting on health and immunisation expenditures

4.1 What is the issue?

As discussed in section 2.2, it is expected that at the end of Gavi support countries should fully finance with *domestic* resources all aspects related to their immunisation programmes, including service delivery and operational costs. However, in most countries available accounting and reporting systems do not allow for the differentiation between government expenditures funded by *external sources*, and government expenditures funded with domestic resources. Hence, being able to assess the extent to which the immunisation programme is funded by the government *with domestic resources* is key to inform advocacy and resource mobilisation efforts. The refined classification of health expenditures (using the System of Health Accounts 2011) and ongoing revisions are important tools to develop more accurate estimates of domestically-funded government expenditures in health and immunisation.

4.2 At the time of transition, what does “success” look like in this area?

At the time of transition, it is expected that countries should be able to report on government immunisation-related expenditures in the Joint Reporting Form using the National Health Accounts/System of Health Accounts (SHA 2011) methodology.

4.3 Example of questions for discussion

- Does the country use the National Health Accounts / System of Health Accounts 2011 methodology to produce estimates of health and immunisation expenditures?
- Are these accurately reported on the Joint Reporting Form?
- Does the country have a plan to improve the accuracy of reported immunisation-related expenditures?
- To what extent are data on health and immunisation expenditures used to inform resource mobilisation efforts and broader policy dialogues about health expenditure priorities?

4.4 Examples of possible activities and interventions in this area

The implementation of the NHA/SHA2011 methodology is typically outside the specific purview of the immunisation programme, and entails broader engagement at the health-sector level and beyond (e.g., statistical units of Ministries of Health, National Statistical Institutes, Ministries of Finance, etc.). Hence, it is important to identify with national authorities the appropriate interlocutor with whom to liaise on this issue. The World Health Organisation, along with other partners, has been actively assisting countries in the roll-out of the methodology, and they may be able to provide additional information as well as targeted technical support. A resource guide is currently being designed by partners and is expected to be published by the end of the year.

5. Relevant information sources

- IMF Article IV Reports
- National Health Sector Plan (NHSP) / National Health Strategy
- Annual National Health Sector Plan
- Annual Operational EPI Plan
- Sectoral planning documents (e.g., EVM improvement plan, data improvement plan).
- National M&E Plan
- EPI Programme Reviews
- cMYPs and costing tools
- Annual budget documents (total government budget, health and immunisation budgets)
- Co-financing reports
- Budget execution reports (e.g., Ministry of Health and/or EPI budget execution reports, EPI operational plan reports, Ministry of Planning or Ministry of Finance reports)
- Budget execution reports of Ministry of Health (units in charge of planning, supply, procurement and payment), Ministry of Planning or Ministry of Finance reports.
- Programme Capacity Assessment (PCA) reports
- Assessments of public financial management systems produced under PEFA (www.pefa.org) and comparative country analyses developed by the International Budget Partnership (www.internationalbudget.org)

Financing – Further Resources	
General macroeconomic indicators (e.g., economic growth, fiscal context)	<p>Source: <i>International Monetary Fund (IMF) Data Mapper</i> (http://www.imf.org/external/datamapper/NGDP_RPCH@WEO/WEOWORLD/DZA)</p> <p><i>World Bank Database</i> (http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2015&start=2000)</p>
General Government Health Expenditures	<p><i>World Bank database</i> (http://data.worldbank.org/indicator/SH.XPD.PUBL.GX.ZS?end=2013&start=2000&view=chart&year_high_desc=false);</p> <p><i>WHO's Global Health Expenditure Database</i> (http://www.who.int/gho/health_financing/government_expenditure/en/);</p>
Immunization Financing: a resource guide for advocates, policymakers, and program managers. Results for Development, 2017.	<p>http://immunizationfinancing.org/home/Immunization_Financing_Resource_Guide_2017_FULL.pdf</p>
e-Learning Course on Health Financing Policy for universal health coverage (UHC)	<p>http://www.who.int/health_financing/training/e-learning-course-on-health-financing-policy-for-uhc/en/</p> <p>http://www.who.int/health_financing/training/second-uhc-course/fr/ (en français)</p>