Catalyzing Sustainable Global Immunization Programs
Phased Transitions

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Overview

Earlier this summer, the Board of Gavi, the Vaccine Alliance, took several steps to bolster the sustainability of the immunization programs it supports in the world’s 49 lowest-income countries.

One important Board action was to refine the process by which countries that have been receiving Gavi assistance are weaned from international support and increase their allocation of domestic resources to fund immunization programs.

In 2009, Gavi implemented revised eligibility guidelines that set up a process by which countries would eventually “graduate” from Gavi support, as they moved from low-income to lower-middle-income status. At the end of the process, now to be called “transition,” countries with an annual gross national income (GNI) per capita over $1,580 are expected to cover 100 percent of the cost of vaccines initially made available to them through Gavi. But over the past few years it has become clear that some lower-middle-income countries may need additional time and technical assistance if transition is to go smoothly.

There is a lot riding on the success of Gavi’s transition program. In January 2015 Gavi underwent a historic and successful replenishment, securing pledges of US$7.54 billion for the 2016–2020 period, with the promise that in Gavi’s subsequent phase (2021–2025), the organization’s financial requirements will likely decrease, as more countries are transitioned from support. Donor countries are assured that the proportion of Gavi program expenses they fund is going down and anxious to see implementing countries allocate even greater domestic resources to immunization programs.

The new Global Financing Facility (GFF), along with enhanced bilateral support for strengthening the capacity of lower- and lower-middle-income countries to mobilize domestic resources for purchasing and distributing vaccines, may offer additional help for countries soon to enter the Gavi transition period.

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From Graduation to Transition

At its mid-June meeting to plan implementation of the organization’s 2016–2020 strategy, the Board of Gavi, the Vaccine Alliance, approved a series of measures intended to enhance the long-term sustainability of the immunization programs it supports in the world’s 49 lowest-income countries.2

One of the steps taken by the Board was to refine the organization’s “graduation” process, by which countries that have been receiving Gavi assistance to purchase vaccines at very low cost are weaned from support from the international community and increase their allocation of domestic resources to fund immunization programs. At the end of what is now being called “transition,” countries are expected to cover 100 percent of the cost of vaccines initially made available to them through Gavi.3

Gavi was launched as the Global Alliance for Vaccines and Immunization (GAVI) in 2000 at the World Economic Forum in Davos. Its mission is “to improve access to new and underused vaccines for children living in the world’s poorest countries.” A private-public partnership, Gavi brings together donor countries, philanthropic organizations, the private sector, and implementing countries to enhance access to vaccines through government-administered programs. Since its inception, Gavi estimates it has reached 500 million additional children with vaccines and prevented 7 million deaths.4

To ensure the countries it supports benefit from the lowest possible prices for vaccines, Gavi both negotiates special prices with drug manufacturers for some of the newer and more expensive vaccines, and works with the Supply Division of partner organization, UNICEF, to purchase vaccines in bulk quantities. Implementing country governments then purchase the lower-cost vaccines directly from UNICEF.5

In 2009, Gavi implemented revised eligibility guidelines that set up a process by which countries would eventually graduate from Gavi support. Defining eligible countries as those with a World Bank-assessed annual GNI per capita under $1,500, Gavi categorized implementing countries as “low-income,” “intermediate,” or “graduating.” Under this policy, countries that reached the Gavi eligibility threshold could “no longer apply for new vaccines or cash-based programme support.” Five years after a country entered the “graduation” phase, it would pay for 100 percent of its vaccines and “would not be able to submit new applications or resubmit previously rejected applications.”6

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6 Gavi, “Graduation Policy.”
Gavi has long required that implementing countries use domestic resources to pay for a portion of the vaccines provided with support from the Alliance. In an early version of cofinancing, implementing country governments paid a flat fee of 20 cents per vaccine dose. But taking into account the new graduation requirements, and to encourage countries with growing economies to begin to allocate greater domestic resources to vaccine procurement and distribution, the Board in 2010 approved a policy requiring countries that move from World Bank-assessed lower-income status to lower-middle-income status to begin to pay 15 percent more per year per dose of vaccine. Countries newly categorized as “intermediate” in terms of eligibility could still benefit from an initial, one-year, cofinancing payment of 20 cents per dose to adopt a new vaccine, but after that they were then expected to increase cofinancing of the new vaccine, like any others previously adopted, by 15 percent per year.  

Challenges Emerge

Since 2011, 24 countries have entered graduation, with 16 expected to fully transition from Gavi support by the end of 2018. Early assessments have suggested that annual GNI per capita may not be the only indicator of a country’s preparedness for assuming full responsibility for procuring and distributing a full arsenal of vaccines; according to recent studies, an enabling policy environment, vibrant civil society engagement, and enhanced budgeting and procurement practices are all factors necessary for successful transitions.  

In 2013, the Gavi Board approved a policy to help “graduating countries to advance towards the financing and programmatic sustainability of their immunisation programmes once Gavi support phases out.” Under the 2013 policy, countries notified that they were entering graduation could count on “an additional year to apply for Gavi new vaccine support and [could] access time-limited catalytic investments to support their graduation plans.” This made countries that had passed the annual GNI per capita eligibility threshold (which had been revised to $1,580), and which had not earlier applied for support for the introduction of the new pneumococcal vaccine, for example, eligible to apply for the new vaccine at the low, Gavi-negotiated price.  

But it has become clear that some countries experiencing rapid economic growth may need additional time to prepare for the budgetary requirements of transition, as well. During a June 2014 trip to Ghana, for example, CSIS Global Health Policy Center researchers learned that the country’s economic boom between 2008 and 2013 had boosted the country’s annual GNI per capita and put Ghana on track to enter the Gavi graduation phase sooner than had been anticipated; however, economic contractions in 2014 made it unclear whether the country would

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remain above the Gavi eligibility threshold and thus move forward with graduation plans. This uncertainty left public health and planning officials concerned about protecting recent gains in immunization coverage rates while developing plans for scaling up cofinancing commitments.\(^{10}\)

Gavi now recognizes that some countries may need additional technical assistance to prepare for their transitions.

### A Phased Approach

The June 2015 Board decision makes three refinements to the “transition” process. The first is that it focuses on “earlier preparation for the end of support with an increased focus on sustainability, and in specific circumstances, extending engagement with countries that have had a short period to prepare for the transition as a result of exceptionally rapid increases in income and therefore potentially coming to the end of Gavi support earlier than planned.” According to the revised policy, effective July 1, Gavi will now consider three years of annual GNI per capita numbers before determining a country is ready to enter the transition phase, rather than automatically moving a country to transition after one year of annual GNI per capita over the eligibility threshold, as was previously the case.

Two additional modifications shape the new transition, and associated cofinancing, guidelines: Under new cofinancing guidelines, to go into effect in January 2016, countries will start paying more, slightly sooner, for new Gavi-financed vaccines. Countries in what used to be known as the “intermediate group” will now enter a preparatory transition stage, now known as Phase 1. These countries will be expected to pay 15 percent more per vaccine dose per year—both for vaccines already introduced and for new vaccines adopted.

Then, when a country's annual GNI per capita surpasses the eligibility threshold, it will enter Phase 2, which replaces the older “graduating” category. Under the original policy, a “graduating” country could “no longer apply for new vaccine or cash-based programme support.” The 2013 Board decision allowed graduating countries one additional year to apply for new vaccine assistance. Now, countries entering Phase 2 will have one year to apply for new vaccine support and Health System Strengthening (HSS) support, if they meet certain criteria. During Phase 2, countries will also gradually assume greater responsibility for financing vaccine purchases, with the idea that they will be paying 100 percent of vaccine costs at the end of five years.\(^{11}\)

A second important change is that countries that have already graduated, or transitioned, will have extra time to benefit from Gavi-negotiated low prices, rather than begin paying full market

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rates for vaccines immediately upon completing the transition. In what is to be known as Phase 3, countries that have already successfully moved through Phases 1 and 2 will now have five additional years, post-transition, to benefit from the negotiated lower rates before being totally weaned from Gavi support. The policy builds on the commitments made at the January 2015 pledging conference by several pharmaceutical companies to extend, for a short period, Gavi-negotiated vaccine prices to countries that transition from Gavi support.\textsuperscript{12}

In helping countries successfully transition away from international support for immunization programs, Gavi will accelerate its work with governments and other partners to assess transitioning countries’ preparedness to assume and sustain full financial responsibility for vaccine procurement and distribution and to help countries develop plans for ensuring the process goes smoothly.\textsuperscript{13}

Catalyzing Sustainable Global Immunization Programs

There is a lot riding on the success of the transition program. In January 2015, Gavi underwent a historic and successful replenishment, securing pledges of US$7.54 billion for the 2016–2020 period, with the promise that in Gavi’s subsequent phase (2021–2015), the organization’s financial requirements will decrease, as more countries increase their cofinancing and are transitioned from support. Donor countries want to see implementing countries allocate greater domestic resources to immunization programs and are especially anxious to see countries experiencing economic growth and moving to lower-middle-income and middle-income status to increase their contributions and assume full ownership of vaccine-related activities.

The Global Finance Facility, launched at the Third International Conference on Financing for Development in July, may offer some promise for helping countries to strengthen their financing for immunization programs. The GFF brings together UN agencies, the World Bank and International Bank for Reconstruction and Development, bilateral development agencies, and the private sector to stimulate domestic financing in support of the goals of UN Secretary-General Ban Ki-moon’s Every Woman Every Child campaign.\textsuperscript{14} For countries that have already made improving child health a high-profile priority, the infusion of GFF support may be particularly helpful. The initial countries to receive GFF support include Democratic Republic of Congo, Ethiopia, Kenya, and the United Republic of Tanzania.\textsuperscript{15}


\textsuperscript{14} Every Woman Every Child, “What Is Every Woman Every Child?,” http://www.everywomaneverychild.org/about/what-is-every-woman-every-child.

As a February 2015 CSIS Global Health Policy Center delegation to Tanzania reported, the country has had a long and successful partnership with Gavi, having adopted at least seven vaccines, with US$275 million in support from the Alliance. As Tanzania seeks to reach lower-middle-income status through Big Results Now and other government initiatives, planning for increased cofinancing and an eventual transition from Gavi support will be essential to sustain the impressive immunization coverage rates and improvements in child health the country has achieved.

Development partners can help implementing countries strengthen immunization services and plan for sustainably financing immunization programs following transitions from Gavi assistance through bilateral assistance and by participating in country-led donor coordination activities.

Planning now for future transitions will help catalyze sustainable immunization programs for the long term.

Acknowledgments

This report was made possible by the generous support of the Bill & Melinda Gates Foundation.

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