

Annex E: Gavi 5.0 MICs Approach and COVID-19

1. Introduction

- 1.1 In June 2019, the Board agreed that the Alliance's approach to former Gavi-eligible countries be institutionalised in Gavi 5.0. They requested that the Secretariat develop an approach with the objectives of **introducing key missing vaccines** and **preventing backsliding in immunisation coverage levels** post-transition. At that time, the envisaged package of support for former Gavi-eligible countries included political advocacy, technical assistance, innovation, market shaping, and catalytic financial support to jumpstart vaccine introductions.
- 1.2 Building on this foundation, the Board also requested the Secretariat to **explore how some elements of this approach could be extended to some¹ never Gavi-eligible middle-income countries (MICs)**. The engagement with never Gavi-eligible MICs would have a particular focus on **new vaccine introductions**, thereby addressing the inter-country equity challenge that is impossible to disregard in light of Gavi's ambitious goal of 'leaving no-one behind with immunisation'. The Board approved a funding envelope of **up to 3% of Gavi 5.0 planned expenditure** (approximately US\$ 300million) for the delivery of the MICs Approach.
- 1.3 Following this decision last year, the Secretariat has been developing the detailed MICs Approach in close collaboration with countries, donors, partners, expanded partners, and other key stakeholders. The Secretariat had prepared to bring this approach to the PPC and Board for decision in May and June 2020. Section 2 of this paper outlines the Approach that had been developed prior to COVID-19 and Section 3 indicates the implications of COVID-19 on this Approach and how the Secretariat will act in response.

2. The MICs Approach that had been developed prior to COVID-19

- 2.1 The MICs Approach, as had been prepared for presentation to the PPC and Board, had two primary objectives: to **prevent backsliding in vaccine coverage in former Gavi-eligible countries**, and to **drive the sustainable introduction of key missing vaccines in both former and select never Gavi-eligible countries**. Alongside these primary objectives, the Approach had a number of important secondary objectives: to improve inter- and intra-country **equity**; to maintain and improve access to **sustainable vaccine pricing**; to open up access to **new technologies and innovations**; and to **mobilise and maximise domestic resourcing**.
- 2.2 The Approach was designed to **leverage the existing expertise and activities of Alliance partners and expanded partners**, as well as to build

¹ Never Gavi-eligible countries in scope of the MICs Approach included countries with a GNI p.c. up to \$6,000 and that were missing at least one of three key vaccines (PCV, Rotavirus and HPV). The Secretariat was also proposed the inclusion of some select small island states, in line with the World Bank definition of IDA.

on the **considerable wealth of knowledge and capacities of MICs**. Significant emphasis was placed on working through **new partners**, on **deepening Gavi's collaboration with the Global Fund**, engaging with **CSOs**, and supporting **regional and country-led platforms**.

- 2.3 The Approach was also based on a **learning agenda**: recognising the scale of the challenge of engaging with never-Gavi eligible MICs, whilst having confidence in the Alliance partners' deep expertise. Successful implementation of the MICs Approach required **new ways of working**, and the Secretariat was ready to operate in an iterative manner, reflecting and improving at each step, as well as remaining flexible to adapt both the way we worked and the tools that we had at our disposal.
- 2.4 A significant amount of learning was taken from the experience of **post-transition engagement** in the design of the Approach, for example: ensuring that investments would be mid-to-long term, results-orientated, and with clear accountability frameworks; and that country support be targeted and catalytic, with a clear exit strategy.
- 2.5 Taking as a foundation the package of support that had already been approved by the Board for former Gavi-eligible countries, the Secretariat designed the MICs Approach around **three mutually-reinforcing levers**, designed to both tackle the causes of backsliding and to address the bottlenecks that prevent sustainable new vaccine introductions. The three levers were:
- a) **Advocacy and political will building**: Strengthening countries' political commitment to immunisation and new vaccine introductions by using the convening power of the Alliance to bring together leaders and decision makers, demonstrating the value of immunisation by sharing and promoting evidence on the value of immunisation, and working globally, regionally and at country level in a multi-dimensional approach to advocacy.
 - b) **Enhancing the immunisation ecosystem**: Engaging with countries in a deeply targeted way, along a clear theory of change, to address specific identified bottlenecks that lead to a risk of backsliding or that prevent new vaccine introductions. Leveraging the extensive expertise of partners to surgically deploy relevant interventions to strengthen institutions, build the vaccine investment case, mobilise domestic resources, improve efficiencies, build capacity, support evidence-based decision making, and to find and share innovative approaches (for example to reach zero-dose children) and information about new technologies.

- c) **An innovative financing facility for procurement:** An innovative financing facility to augment UNICEF SD's existing procurement model, leveraging Gavi's financing capacities to provide long-term demand guarantees and short-term liquidity to assure timely payments. Together, these features would have reduced the risk of unpredictable demand and addressed a key bottleneck for countries unable to pre-pay, providing manufacturers with the opportunity to offer more sustainable vaccine prices, in line with tiered pricing principles. Procurement support to countries would have also included some limited vaccine catalytic financing to jump-start new vaccine introductions, building on the successful experience of this tool in other Gavi-supported countries.
- 2.6 Across the three levers there would have been a **differentiated approach** to working with the different 'tiers' of countries². These tiers reflected the Board's previous approval to support former Gavi-eligible countries with an agreed package and a desire to see the energy of the Secretariat mainly focused on former Gavi-eligible countries. The differentiation also reflected the Board's guidance to differentiate between never Gavi-eligible MICs with a GNI p.c. up to \$4,000 and those with a GNI p.c. between \$4,000 - \$6,000³. For example: whilst all countries would have benefitted from regional and global efforts to strengthen political commitment to immunisation, former and never Gavi-eligible LMICs would additionally have received country-focused advocacy support; and vaccine catalytic financing would not have been available for never Gavi-eligible MICs with a GNI between \$4,000 - \$6,000. This differentiated approach was also reflected in the planned Secretariat resourcing.
- 2.7 The Approach was designed to fully align with the Alliance's comparative advantages and to leverage available resources in a way that delivered the greatest impact. As such, it was not envisaged that health systems strengthening support or financing multi-year procurement of vaccines would be part of the engagement with countries.
- 2.8 The MICs Approach was designed in close collaboration with a wide range of stakeholders including Alliance partners, expanded partners, countries, donors, CSOs, manufacturers, as well as new potential partners such as the Global Fund and global and regional initiatives. Throughout the development process stakeholders were highly engaged and there was open and constructive debate towards the co-creation of the MICs Approach.
- 2.9 Extensive rounds of consultations were undertaken to design and refine the Approach. This included numerous country consultations, including dedicated country visits, to explore country barriers and to co-design

² Former Gavi-eligible countries, never Gavi-eligible MICs with a GNI up to \$4,000 p.c., small island states, never Gavi-eligible MICs with a GNI between \$4,000 and \$6,000 p.c

³ In June 2019 the Board provided guidance that engagement with never Gavi-eligible lower middle-income countries (LMICs) - those with a GNI per capita up to \$4,000 - would be along the same set of modalities as for former Gavi-eligible countries, but that the modalities of engaging with never Gavi eligible countries with a GNI between \$4,000-\$6,000 may be different.

solutions. Wide-ranging conversations with representatives from WHO, PAHO, UNICEF SD and PD, World Bank, Global Fund, CSOs, and other initiatives were held (often at global, regional and country level) to identify clear synergies and opportunities for collaboration, and detailed discussions were had with manufacturers to benefit from their perspectives.

- 2.10 **The draft MICs Approach was built to clearly articulate the role and expertise of different partners towards a common objective, showcasing the potential for the Alliance to bring together and amplify the impact of partner's efforts, highlighting the Alliance's unique and comparative advantage to deliver on the Approach's objectives.**

3. The implications of COVID-19 on the MICs Approach

- 3.1. Whilst the impact and implications of the COVID-19 pandemic on countries' health systems and economies are still emerging, it is clear that many countries will meet at least some disruption, with the potential for almost all countries to experience significant negative consequences as a result of both the measures taken to respond to the crisis and protect their populations, as well as the wider global economic impact.

- 3.2. In the face of this new reality, the objectives and spirit of the MICs Approach are more relevant than ever:

a) **Preventing backsliding in routine immunisation coverage:** COVID-19 increases both the likelihood and potential extent of backsliding. There is even greater impetus to ensure that immunisation programmes are not decimated by the pandemic.

b) **Supporting the sustainable introduction of new vaccines:** As and when a COVID-19 vaccine becomes available, it will be critical to ensure that access to this vaccine is governed by equitable allocation and sustainable pricing principles.

- 3.3. The Secretariat recognises, however, that during the pandemic response phase (and possibly also for some time afterwards, depending on the extent of recovery required), new vaccine introductions of PCV, Rota and HPV⁴ are unlikely to be the priority in many countries. Furthermore, given the exceptional circumstances in which countries may find themselves over the coming 12-24 months, the original package of support envisaged under the MICs Approach may not be sufficient to help countries to meet these challenges.

- 3.4 **The PPC recognised the emerging risks of backsliding in immunisation programme performance due to COVID-19 in former Gavi-eligible countries and suggested to allocate a limited amount of Gavi funding to mitigate backsliding risks in these countries, where well justified and needed.** This is described in more detail in Doc 03. Any interim engagement with never Gavi-eligible countries will be focussed on

⁴ These three vaccines were to be the initial focus of the MICs Approach in providing support to countries for new vaccine introductions

measures to enable equitable access to a future COVID-19 vaccine for middle income countries (see Doc 05).

- 3.5 Once countries have mitigated the worst of the crisis, the Secretariat believes that the original focus of the draft MICs approach will once again be in demand. This includes not only addressing the systematic weaknesses in routine immunisation programmes to prevent backsliding of immunisation coverage, but also tackling the bottlenecks that prevent the sustainable introduction of high impact vaccines such as PCV, Rotavirus and HPV.
- 3.6 The Secretariat therefore plans, when appropriate, to bring back to the PPC and Board the draft MICs approach. And although the objectives of the approach brought forward at that time may be in line with the original objectives, it may well be necessary to adapt the approach to reflect the realities of countries that are rebuilding after the pandemic.
- 3.7 Gavi's response to the COVID-19 pandemic in MICs in the coming months and years also presents a real opportunity for significant learning that could and should be incorporated into a refined MICs approach, further justifying the rationale to take time to reflect on the original MICs approach, developed prior to the pandemic, before bringing an approach to the PPC and Board for decision.