

SUBJECT: STRATEGY AND IMPLICATIONS OF COVID-19: GAVI 4.0 PROGRESS, CHALLENGES AND RISKS AND UPDATE ON GAVI 5.0 OPERATIONALISATION

Agenda item: 03

Category: For Decision

Section A: Executive Summary

This report presents an **overview of how the Alliance is delivering against its Strategic Goals** including a holistic view across the Alliance's portfolio of support to countries including vaccine programmes, Health System and Immunisation Strengthening (HSIS) support and technical support provided under the Partners' Engagement Framework (PEF), and on the associated risks¹.

As the COVID-19 pandemic continues to unfold, this report also provides an **overview on the immediate impact on immunisation programmes and achieving the targets of Gavi 4.0 (Section B), a brief update on the Alliance's proactive response to the crisis (Section C) and the potential implications on Gavi 5.0 operationalisation (Section D)** over the next 18 months. A detailed view on the impact on immunisation programmes, Gavi's response and the implications on Gavi 5.0 was discussed at the 11 May 2020 Board meeting and is made available to the Board through regular Situation Reports on BoardEffect.

At its 26-27 May 2020 meeting the PPC **discussed Gavi's adaptive response to the COVID-19 pandemic and was supportive of the three pillars of the approach**, i.e. the immediate support for country response, maintaining and restoring immunisation services over the next 18 months, and responding to the fiscal impact of the pandemic on immunisation programmes.

As part of that the PPC **agreed with the importance of supporting former Gavi-eligible countries to address the emerging risks of backsliding in immunisation programme performance due to COVID-19**. In response to these developments, and in light of the pausing of the Gavi 5.0 Middle Income Country (MICs) approach for the duration of the pandemic, the PPC recommends that the Board **allocate targeted Gavi funding (excluding vaccine financing) to mitigate backsliding risks, where well justified and needed, in these countries**. This time-limited and targeted support aims to specifically address the unique circumstances brought about by COVID-19 and is therefore not expected to create a precedent that might detract from Gavi's sustainability approach.

¹ Associated risks refer to the top risks described in the 2019 Risk & Assurance Report (see <https://www.gavi.org/news/document-library/gavi-risk-and-assurance-report-2019>). The COVID-19 pandemic has led to an extraordinarily uncertain environment with a significant impact on Gavi's risk profile, as described on a high-level in the AFC update on risk management (Annex C)

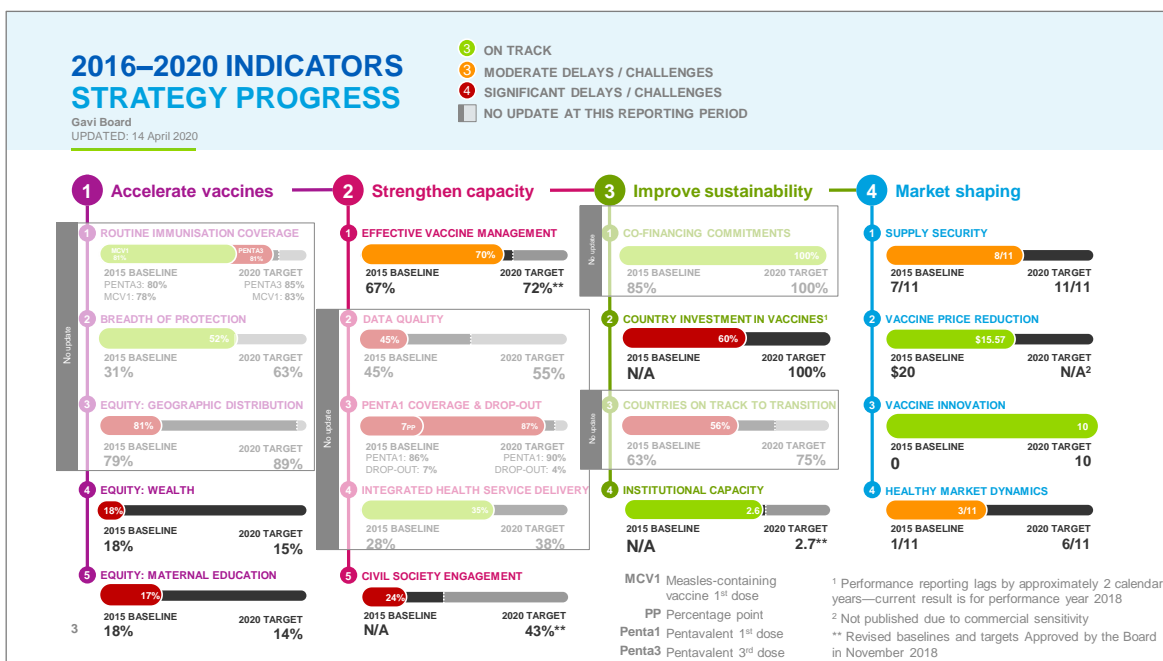
The PPC also discussed the Funding Policy Review (FPR) which is one specific Gavi 5.0 operationalisation workstream impacted by COVID-19. Revised policies would have been brought to the Board at this meeting; however, the FPR Steering Committee recommended pausing the review and instead moving forward with select shifts previously been approved by the Board in December 2019. These shifts would have been included in revisions to the Eligibility and Transition Policy and HSIS Support Framework (see Annex D). The select shifts enable uninterrupted and streamlined funding to countries alongside the broader COVID-19 response. They include removing the programme filter² and the performance-based funding mechanism, allocating Health Systems Strengthening (HSS) funding per the approved revised formula, removing the cap on HSS allocation ceilings and proceeding with integration of support for cold chain equipment (CCE) into the HSS grant. The timeline and modality for this last decision may need to be adjusted given the immediate focus on rapidly scaling up cold chain equipment for the COVID-19 response (see Doc 05). The PPC noted that in implementing these shifts, the Secretariat should monitor for any unintended consequences, ensuring that CCE investments do not divert from other necessary HSS investments and the programme filter is replaced with suitable criteria specific to each vaccine programme to ensure country readiness. The PPC recommends that the Board approves the immediate roll-out of these select shifts.

Section B: Gavi 4.0 strategy: Progress, challenges, risks and immediate impact of COVID-19

- 1.1 **Despite the COVID-19 pandemic, the Alliance is very close to reaching its mission target of averting five to six million deaths, and should reach its goal of immunising 300 million additional children** in the current five-year strategic period unless routine immunisation coverage falls by more than ~50% in 2020³.
- 1.2 However, **COVID-19 is expected to impact progress and poses risks to the health, economic, social and political landscape in Gavi-eligible countries.** While the full implications will become clearer over time, the pandemic has already had a significant and visible impact on vaccine introductions, routine immunisation, planned campaigns and fiscal space in Gavi-supported countries, placing a disproportionate burden on the most marginalised populations.

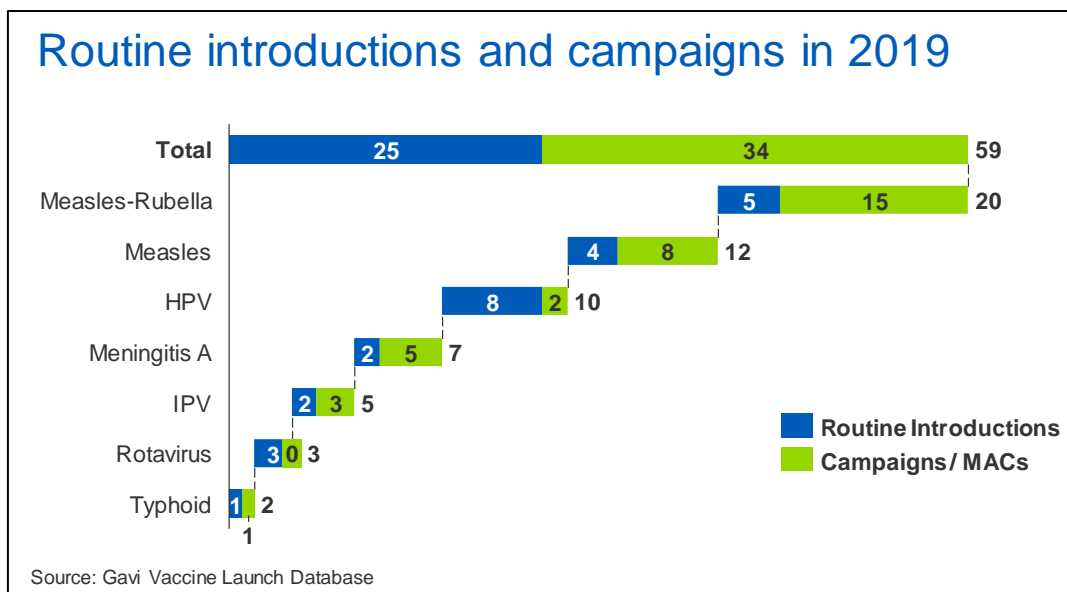
² The programme filter requires 70% or higher coverage of the 3rd dose of DTP-containing vaccine for a country to access new support for select vaccines (as set out in the Eligibility & Transition Policy)

³ Mission indicators will be updated after the release of WHO-UNICEF vaccination coverage estimates (WUENIC) in July 2020. The latest mission indicators dashboard can be found in Doc 03 of the October 2019 PPC meeting.



Strategic Goal 1: Accelerate Vaccines

- 1.3 **2019 saw a record number of vaccine introductions, 20% more than 2018.** With 25 routine introductions and 34 campaigns, the target of 56 launches was exceeded. This includes the first routine introduction of **typhoid conjugate vaccine (TCV)**. Pakistan introduced TCV initially in Sindh province, which is the centre of an ongoing extensively drug-resistant (XDR) typhoid outbreak.
- 1.4 **For human papillomavirus (HPV) vaccine, eight routine and two multi-age cohort introductions have been completed in 2019,** bringing the total to 19 single and four multi-age cohort introductions. However, due to the ongoing supply constraints, 15 multi-age cohort introductions have been delayed to the next strategic period or later. As a result, 14 million girls will be vaccinated (versus a target of 40 million) with a corresponding ~300'000 deaths averted (versus a target of ~900,000) in Gavi 4.0. One of the important announcements made at the Global Vaccine Summit was the commitment by five manufactures to meet the full demand of Gavi-eligible countries in the next strategic period. The availability of additional HPV vaccine as early as 2021-2022 could alleviate some of the supply-side constraints faced by Gavi-supported countries. The Alliance is engaging countries on available product options.



- 1.5 **The share of campaigns among overall vaccine launches has continued to increase, largely driven by the strategy to control measles and introduce rubella-containing vaccine (RCV).** In 2019, Gavi funded 18 preventive measles and measles-rubella (MR) campaigns, and another five MR catch-up campaigns for the routine introduction of RCV. Thanks to Gavi support for RCV introduction and scale-up in 32 countries, RCV1 coverage increased from 3% in 2012 to 54% in 2018. Gavi's investments have also led to a steady increase in people protected with two doses of measles-containing vaccine (MCV2), with coverage increasing from 7% in 2007 to 54% in 2018 across Gavi 68 countries. To further encourage countries to strengthen routine immunisation for MCV, and target missed children, the Board approved additional flexibilities in 2018 for the use of operational costs to implement more tailored and targeted campaigns⁴. These efforts have not fully materialised yet. Nevertheless, engagement with countries has led to the design and testing of new approaches, such as selective vaccination and electronic immunisation registries (in Zambia) and the follow-up of measles zero-dose children in the post-campaign period (in Zambia and Burundi).
- 1.6 Although four countries⁵ have published new surveys in 2019, **there is no significant change in the wealth and gender equity indicators.**
- 1.7 **COVID-19 has already had a measurable impact on introductions and campaigns. Of the up to 68 introductions initially forecasted for 2020, 48 have already been or are at risk of being postponed.** As discussed at the 11 May 2020 Board meeting, it is inevitable that **millions of people in Gavi-supported countries will miss out on immunisation** due to COVID-19. This increases the **risk of vaccine-preventable disease outbreaks** (e.g.

⁴ Countries are able to apply for operational costs support for M/MR follow-up supplementary immunisation activities (SIAs) up to the national 9-59-month population, to be used for national SIAs, subnational SIAs and enhanced routine immunisation activities targeted at reaching missed children

⁵ Zambia, Cameroon, Gambia, Lesotho.

measles, polio, diphtheria) exacerbating existing inequities and putting the most marginalised and poorest communities at greatest risk.

Strategic Goal 2: Health System Strengthening

- 1.8 **To increase immunisation coverage and equity, a further ten countries have received approval for Health System Strengthening (HSS) flexibilities⁶ since October 2019.** A total of US\$ 244 million for 31 countries⁷ has now been approved under these flexibilities, of which US\$ 86.8 million is for nine fragile countries⁸. Most countries have used the flexibilities to address sub-national coverage and equity challenges, and Gavi expects to see the outcomes materialise in the Gavi 5.0 period. Due to COVID-19, some countries may require additional time to implement activities under these flexibilities in 2021.
- 1.9 **The time to disburse cash grants⁹ has significantly decreased from 17.5 months in 2018 to 10.9 months in 2019¹⁰.** The new portfolio management approach designed as part of Gavi 5.0 operationalisation and planned to be rolled out starting in Q4 2020 is expected to further reduce timelines and better align processes with country needs. The Secretariat has also increased the absolute level of HSS disbursements from US\$ 284 million in 2018 to US\$ 331 million in 2019, a record level.
- 1.10 **Effective vaccine management (EVM) continues to improve.** All six countries with EVM assessments in 2019¹¹ have improved their score, by an average increase of 6.5 percentage points. Due to COVID-19, not all the 15 planned assessments in 2020 may be completed on time.
- 1.11 **As of Q1 2020, 49 out of the 57 countries eligible to the cold chain equipment optimisation platform (CCEOP) have applied.** The Alliance has procured over 42,000 units of Ice-lined (ILR) and Solar Direct Drive (SDD) Refrigerators and was, before the COVID-19 pandemic, on track to reach its targets of procuring 65,000 units by 2020. **The CCEOP has led to**

⁶ In order to advance Gavi's strategic goal of increasing immunisation coverage and equity, for the remainder of the strategic period through 2020, the Board granted Gavi the flexibility to increase an individual country's allocation ceiling for HSS support by up to 25% beyond the total amount of the ceiling

⁷ 31 countries recommended for approval by the Independent Review Committee (IRC) for these flexibilities: Afghanistan, Bangladesh, Burkina Faso, Cambodia, Central African Republic, Chad, Comoros, Côte d'Ivoire, Eritrea, Ethiopia, Kenya, Democratic People's Republic of Korea (DPRK), Kyrgyzstan, Lao PDR, Mali, Mozambique (COVID reallocation), Myanmar, Nepal, Pakistan, Rwanda, Senegal, Solomon Islands, Somalia, South Sudan, Tajikistan, Uganda, Uzbekistan, Yemen, Zambia, Zimbabwe

⁸ 15 countries classified as fragile for July 2019- July 2020: Afghanistan, Burundi, Central African Republic, Chad, Democratic Republic of Congo (DRC), Eritrea, Haiti, Mali, Papua New Guinea, Solomon Islands, Somalia, South Sudan, Sudan, Syria, Yemen.

⁹ Time from IRC recommendation for approval to disbursement; includes new HSS, vaccine introduction (VIG) and operational support (Ops) grants; excludes aforementioned HSS flexibilities.

¹⁰ When excluding grants impacted by supply constraints, the average time is 10.1 months; the target duration is 9 months.

¹¹ Burkina Faso, Comoros, Democratic People's Republic of Korea (DPRK), Democratic Republic of Congo (DRC), Ethiopia and Guinea-Bissau; all six assessments were conducted based on the EVM 1.0 assessment tool.

better quality equipment supplied by a larger set of suppliers at lower prices in 2019. Two new CCE suppliers have entered the market (bringing the total up to eight) supplying equipment fulfilling specified quality requirements. The market share by volume of the two largest manufacturers decreased from ~80% in 2018 to ~65% as of end 2019. Significant price reductions (>10%) were achieved for both ILRs and SDDs by shifting country preferences to more cost-effective options and through pooling procurement to unlock volume discounts and achieve service bundling. However, the risk of unhealthy market shares, potential for higher prices and reduced incentives for innovation remains.

- 1.12 **The CCEOP will also play a critical role in enabling the delivery at scale of COVID-19 vaccines if a cold chain is required,** and several donors and partners have approached Gavi to explore whether CCE provided through the CCEOP could be used for other COVID-19 commodities and PHC interventions (see Doc 05).
- 1.13 **Gavi has continued to step up its work on demand generation, communities and gender through the Alliance demand hub¹².** Support from the Alliance has made it possible for UNICEF to conduct human centred design workshops in Zimbabwe, Indonesia, South Sudan, Myanmar and Pakistan. At the Secretariat, an integrated hub for demand generation, communities and gender as well as an updated Gender Policy (pending final Board approval) will ensure a holistic vision and approach (see Doc 07). In the context of COVID-19, the Alliance's work on demand, communities and gender is pivoting towards sustaining demand, addressing rumours about COVID-19 vaccines and rebuilding trust during and after the pandemic.
- 1.14 **Under the Partners' Engagement Framework, improving performance of Targeted Country Assistance (TCA) and its alignment with HSS support remains a strong focus.** A review of six independent TCA assessments recommended to a) select partners based on merit, comparative advantage and relevance to meet needs for technical assistance, b) move from single year to multiyear TCA planning and funding, and c) focus the monitoring process on a limited set of intermediate outcomes. The PEF Management Team has discussed these findings extensively and have recommended them to be integrated into the new partnership model for Gavi 5.0.
- 1.15 **COVID-19 continues to have a significant impact on immunisation programmes in Gavi-supported countries.** Although most health facilities are reportedly open and continuing to offer fixed site immunisation, nearly half of countries in Africa have partially or entirely suspended outreach, which is likely to disproportionately impact the most marginalised communities. COVID-19 is also having a significant impact on an already stretched health workforce. Uptake for immunisation is also impacted due

¹² Alliance Demand Hub is led by UNICEF and the Secretariat with WHO, US Centers for Disease Control (CDC), Bill & Melinda Gates Foundation (BMGF), John Snow, Inc (JSI), International Federation of Red Cross and Red Crescent Societies (IFRC) and the Civil Society Organisations (CSO) constituency

to challenges in accessing health facilities (e.g. due to restrictions on movement or concerns about COVID-19 exposure) as well as rumours and community mistrust towards immunisation. On a more positive note, global supply chains have started to improve with shipments-per-week almost back to pre-crisis levels and fewer countries reporting critically low vaccine stocks (Gavi has disbursed US\$ 6.4 million to UNICEF to charter flights where commercial capacity was not available). The Board discussed Gavi's proactive response to the pandemic at its 11 May 2020 meeting. Section C provides a brief update on developments since.

Strategic Goal 3: Improve Sustainability

- 1.16 Implementation of Gavi's co-financing policy continued to show unprecedented success in 2019, with co-financing performance reaching an all-time high:** 49 out of 50 countries with obligations due in December met their 2019 co-financing commitments on time¹³, with Liberia being the only defaulting country. This represents the highest share of countries fulfilling their obligations on time and the lowest number of defaulters since the co-financing policy was implemented in 2008. The total amount invested by countries in co-financing vaccines has now exceeded US\$ 1 billion, with an additional US\$ 0.7 billion estimated to have been invested by India and self-financing countries to fund vaccines introduced with Gavi support.
- 1.17 Transitioned countries have also consistently sustained programme performance.** Of the 15 countries that transitioned more than a year ago¹⁴, nine transitioned from Gavi support with diphtheria-tetanus-pertussis (DTP3) coverage above 90% and have maintained this level. Of the remaining six countries, all but one have either maintained or improved their coverage levels since transitioning (the exception being Bolivia, where Penta3 coverage fell by 1 percentage point from 84% before transition to 83% in 2018).
- 1.18 However, the severe economic downturn caused by the COVID-19 pandemic is likely to negatively affect these positive trends.** Many countries will struggle with revenue underperformance, emergency budget reallocations, and tighter liquidity management. These constraints are likely to limit the available fiscal space to fund immunisation and other essential health services, resulting in a higher **risk of co-financing defaults**. Similarly, **sustainable transition is at risk** with expected transition trajectories being affected as gross national income (GNI) per capita growth rates decelerate or turn negative. Many current Gavi-eligible countries will see their progression through the phases of support delayed, with several moving backwards. COVID-19 may also increase the **risk of backsliding**

¹³ Ethiopia, Kenya and Pakistan co-financing obligations are due by 30 June 2020 due to alignment with their fiscal years. South Sudan was approved for a waiver until 2020 for co-financing requirements and therefore was not included in the total number of countries with co-financing requirements due.

¹⁴ Excludes Vietnam, which has transitioned at the end of 2019 and for which it is too early to assess progress.

in transitioned countries (see Section C for additional information). As per the Board's decision at its 11 May 2020 meeting Gavi will implement a number of measures to address these challenges, balancing this acute need with the objective to **continue to incentivise countries on their path to a successful transition.**

- 1.19 While the Board already made decisions to respond to the fiscal impact of COVID-19 on countries' immunisation programmes, **one additional implication magnified by the economic turmoil caused by the pandemic (and discussed at the 11 May 2020 Board meeting) is the repayment of improperly used HSIS funds.** Under the current practice, a country must follow a repayment schedule of HSIS funds that were improperly used by the country, otherwise HSIS support is stopped. This could result in HSIS funding stopping amid the pandemic, further exacerbating immunisation financing and delivery challenges. The Secretariat will therefore accordingly extend repayment schedules on a case-by-case basis.

Strategic Goal 4: Shape Markets

- 1.20 **Three out of eleven markets were identified as exhibiting moderate or high levels of healthy market dynamics (from a 2019 target of four and a 2020 target of six).** Of the eight markets assessed to be low health, measles, meningitis A and Japanese encephalitis were exposed to low supplier diversity, but all considered within acceptable risk levels due to sufficient capacity and strong track record of the dominant supplier.
- 1.21 **The cost of fully vaccinating a child with pentavalent, rotavirus and pneumococcal conjugate vaccine (PCV) has continued to decrease.** From 2018 to 2019, the weighted average price for a full course of the three vaccines decreased by 2%, from US\$ 15.90 to US\$ 15.57. The overall price reduction since the 2015 baseline now stands at 22%.
- 1.22 **Eight vaccine markets out of eleven had sufficient and uninterrupted supply in 2019** (Pentavalent, Rotavirus, PCV, Measles-Rubella, Measles, Japanese Encephalitis, Yellow Fever, Meningitis A), while there were constraints for HPV, Inactivated polio vaccine (IPV) and Oral Cholera Vaccine (OCV). It is expected that HPV and IPV supply to Gavi-eligible countries will improve significantly in the next few years.
- 1.23 **Three additional vaccine innovations were added to the Gavi portfolio of procured products in 2019:** A PCV product with extended 4-year shelf-life, enabling more flexible stock management in country and in the supply chain; a rotavirus product with improved primary container (blow-fill-seal) that reduces the cold chain footprint and ease of use; and a new measles-rubella (MR) product available in a 5-dose vial presentation, improving wastage rate while retaining low volume in the cold chain. **The Vaccine Innovation Prioritisation Strategy (VIPS) shortlisted nine vaccine delivery innovations and further assessed these innovations with licensed and pipeline antigens to facilitate final prioritisation.**

Section C: Update on Gavi's response to COVID-19 over the next 18 months

- 2.1 As discussed by the Board at its meeting on 11 May 2020, **Gavi's approach to helping countries protect, maintain and restore immunisation is based on three pillars:** (a) immediate response for country response; (b) maintaining and restoring immunisation services; and (c) responding to the fiscal impact on immunisation services.
- 2.2 **This section provides a brief update on pillar (b) and (c),** including the potential time-limited, targeted support to mitigate risks of backsliding in immunisation performance in former Gavi-eligible countries, building on PPC guidance. The Secretariat updates the Board on (a) on a regular basis through Situation Reports available on BoardEffect.
- 2.3 Gavi's approach to support countries to **maintain and restore immunisation services (pillar (b))** is based on five principles: (1) Vaccine preventable disease control remains Gavi's priority; (2) Equity as the organising principle; (3) COVID-19 is an exceptional situation requiring exceptional and differentiated responses; (4) Integrated approach to recovery; and (5) Seize opportunities to rebuild better. Based on these principles, the Secretariat plans to make available to countries a set of flexibilities based on their individual needs, grounded in the Fragility, Emergencies, Refugees (FER) Policy. This will include four types of flexibility:
- a) **Additional financing:** Countries will need to increase investment to adapt services in response to COVID-19 (e.g. smaller session sizes) and to provide missed doses and restore population level immunity. The Secretariat will offer flexibilities to support recovery efforts including allowing countries to access additional HSS by frontloading their Gavi 5.0 allocation, apply for higher operational costs for modified delivery strategies, and for additional vaccines to replace those that may have been wasted or expired during the pandemic.
 - b) **Increased flexibility of Gavi support:** The Secretariat will provide flexibilities in how countries programme Gavi support, accelerating the roll-out of changes planned for Gavi 5.0 such as providing a single HSIS envelope. It will also provide more flexibility in the use of Gavi funds to support adaptations to service delivery (e.g. funding for personal protective equipment (PPE) and IPC).
 - c) **Streamlined Gavi processes:** Building on work under way to simplify portfolio management processes for Gavi 5.0, the Secretariat will develop a streamlined application, approval and disbursement process, an expedited process for reprogramming support and will consider flexibility around the duration, extension and rollover of grants. The Secretariat has also introduced a simpler vaccine renewal process.
 - d) **Accelerated engagement of new partners and innovative approaches:** The COVID-19 response will require new ways of working and the support of a diverse range of actors. Civil Society

Organisations (CSOs) will have a particularly vital role. The Alliance will advocate for their inclusion in recovery planning and require countries to explain how CSOs were consulted and will be engaged in implementation. The Secretariat is also exploring new global and regional partnerships to support recovery, especially in fragile settings. Gavi will seek to accelerate scale-up of innovative approaches in line with the initial thinking on the Gavi 5.0 innovation approach to be brought to the Board in December.

- 2.4 With respect to **pillar (c), “Responding to the fiscal impact on immunisation services”**, **the Board approved at its meeting on 11 May 2020 three key flexibilities** to mitigate the impact of COVID-19 on countries’ fiscal space and ensure continued availability of vaccines. These are to preserve countries’ eligibility status and co-financing at 2020 levels for 2021 and to grant the CEO the authority to waive 2020 co-financing obligations on a case-by-case basis upon request by a country. **The Secretariat has already taken steps to implement these decisions.** Internal operational guidance is being put in place on the potential deployment of co-financing waivers and on the need for continued country prioritisation of health and immunisation, including co-financed vaccines. The approach would seek to leverage opportunities that countries may have available, such as the World Bank’s fast-track COVID-19 response facility, to secure interim financing to meet their co-financing obligations and ensure timely vaccine availability.
- 2.5 **Implications for former Gavi-eligible countries¹⁵ and Gavi’s potential response**
- a) **The pandemic is also affecting former Gavi-eligible countries, increasing both the likelihood and potential extent of programmatic backsliding.** Recent reports from countries suggest that, for the time being, most countries are managing to procure their vaccines but are seeing potential disruption in services. National reports indicate that, out of 42 vaccine programmes introduced with Gavi support but now self-financed by countries, countries have already fully or partially procured vaccines for two-thirds of them. This is a testament to the strong commitment from countries to immunisation and the sustainability of the Gavi model. However, individual reports indicate that financial and programmatic constraints may already be more acute in some regions. In Latin America, routine immunisation has been interrupted in most countries, with only limited access to services - in one country, immunisation activities have been suspended entirely. In one country in the Asia-Pacific region, preliminary data suggests that coverage rates decreased by 13 percentage points when comparing Q1/2020 and Q1/2019.

¹⁵ Former Gavi-eligible countries are self-financing countries within the original Gavi 73.

- b) **Prior to COVID-19, Gavi and partners had developed a comprehensive middle-income countries (MICs) approach** (see Annex E) which would provide the parameters for Gavi's engagement with former Gavi-eligible countries (and with select never Gavi-eligible countries with a GNI per capita of up to US\$ 6,000). This approach would be based on three mutually reinforcing levers: advocacy and political will building, enhancing the immunisation ecosystem and an innovative financing facility for procurement to help countries secure vaccine supplies at sustainable prices. However, **given the significant change in the likely nature and scale of the programmatic and financial challenges in countries brought about by COVID-19, it has been decided to temporarily pause the launch of the comprehensive MICs approach for the duration of the pandemic**, as the package of interventions it envisaged would not be an appropriate fit for the new challenges currently faced by countries. **With the pausing of the MICs approach, the PPC was asked to provide guidance** on Gavi's role and approach to support former Gavi-eligible countries in the interim to mitigate backsliding risks, including on the extent and modalities of possible Gavi funding.
- c) **The PPC agreed with the importance of supporting former Gavi-eligible countries to address the emerging risks of backsliding in immunisation programme performance due to COVID-19.** The PPC stressed that any support approaches should be well targeted and focused on specific risk drivers identified. It noted the significant progress achieved over the last few years in enhancing the sustainability of vaccines introduced with Gavi support, and, in this context, emphasised that any support should be carefully designed so as to avoid creating perverse incentives that could jeopardise the sustainability of progress achieved so far.
- d) **In response to these identified needs, the PPC suggested to allocate a limited amount of Gavi funding to mitigate backsliding risks, where well justified and needed, in former Gavi-eligible countries.** Possible areas of support could include, for example, time-limited support for activities to restore immunisation coverage such as intensified outreach, periodic intensification of routine immunisation (PIRIs) and technical support to adapt the delivery of routine immunisation services or the development of immunisation recovery plans. Any engagement will be assessed on a case-by-case basis based on a clearly determined need. The PPC noted that **Gavi funds should generally only be deployed exceptionally** when countries are unable to secure alternative sources and other options, such as multilateral development banks and other donors, are exhausted. Financing for vaccines would not be included as part of this package of support. If special cases are identified, such as countries whose observed needs are significantly larger than can be accommodated within the current proposed scope, or countries facing vaccine financing challenges, the Secretariat will raise them for the Board's attention separately.

- e) **The experience accumulated over the last years has shown that the Gavi model has worked well**, and the fact that most transitioned countries have already procured their self-financed vaccines is an important demonstration of continued country engagement and ownership. However, the pandemic's impact is unparalleled in scale, and has the potential to significantly jeopardise the gains countries have made with Gavi support, and, as a consequence, the credibility of Gavi's model. **This time-limited and targeted support aims to specifically address the unique circumstances brought about by COVID-19, and is therefore not expected to create a precedent that might detract from Gavi's sustainability approach.**
- f) Currently, Gavi support for former Gavi-eligible countries is limited to technical support through the post-transition engagement approved by the Board in 2018, and resources allocated for this purpose are mostly utilised. The PPC broadly endorsed the idea of supporting former Gavi-eligible countries to prevent backsliding in performance due to COVID-19, and in view of the urgency of the issue and the uniqueness of the current pandemic context, **it is proposed to approve targeted support (excluding vaccine financing) in 2020 and 2021 for former Gavi-eligible countries to address an identified risk of reduction in coverage rates of vaccines introduced with Gavi support.** Based on a preliminary assessment of needs and previous experiences, and to ensure that this targeted support is not perceived as being open-ended, the allocation will be of up to US\$ 20 million, and will be funded through the flexibilities granted to the Gavi CEO by the Board in May 2020 to respond to the COVID-19 pandemic.¹⁶ The Secretariat will report back to the PPC and the Board on the use of these resources, alongside lessons learnt for future consideration.

Section D: Impact of COVID-19 on Gavi 5.0 operationalisation

- 3.1 **At its 11 May 2020 meeting the Board discussed the implications of COVID- 19 on the Gavi 5.0 goals and objectives. This section focuses on the impact on operationalising the new strategy.** Given the uncertain impact of COVID-19 in countries and bandwidth constraints in the Secretariat, the Alliance and countries, **some of the operationalisation work is being slowed down and adjusted to respond to the new realities in countries.**

¹⁶ At its 11 May meeting, the Board “*Noted the authority granted by the Board in March 2020 to the CEO to adjust budget amounts by up to 20% for the purposes set out in the Programme Funding Policy and granted the Gavi CEO the authority to adjust and/or exceed the aggregate overall Gavi forecasted amounts for 2020 and 2021 by up to 20% to respond to the COVID-19 pandemic*”. The financial forecast provided to the Board in 2019 included an allocation of resources (US\$ 281 million) for the period of 2021-2025 for work with Middle-Income Countries (MICs) which included former Gavi-eligible countries.

- a) Gavi anticipates that the work on **measurement & accountability** to continue, integrating implications linked to COVID-19 (see Doc 06). The work on aligning Gavi's **programmatic approaches** to Gavi 5.0 priorities, redesigning Gavi's **portfolio management processes, partnership model** and **approach to innovation** will continue at a slower pace acknowledging the reduced bandwidth within the Secretariat and key partners.
- b) The Steering Committee guiding the **FPR recommended that the review be paused in light of the COVID-19 pandemic** given limited country capacity to enact new policies. The PPC recommended that select FPR shifts (approved by the Board in December 2019 for inclusion in new funding policies) are adopted alongside Gavi's existing policies following the June 2020 Board meeting. These specific provisions prevent interruptions in funding, facilitate countries' full and timely access to funding, align with new funding cycles and remove unnecessary requirements. These include: a revised HSS allocation formula so amounts can be communicated to countries entering planning processes; removing the cap of US\$ 100 million on HSS allocation ceilings; removing the poorly performing performance-based funding (PBF) approach; integrating CCE into the HSS envelope (with adjustment dependent on potential expansion of the CCEOP as described in Doc 05) and removing the generic programme filter. Given the comprehensive approach taken for the COVID-19 response, other previously approved policy changes (such as to the Co-financing Policy) would not be relevant at this time and could be revisited with the re-start of the FPR.

The PPC requested the Secretariat monitor any unintended impact of moving forward with these provisions and ensure that **integrating CCE and HSS does not result in CCE investments displacing other, critical activities to strengthen health systems**. The requirement to programme a minimum amount of the HSS grant for equity would mitigate this risk in part, and the Secretariat will explore putting in place other safeguards as needed. Finally, while the PPC recognised **removing the generic programme filter would reduce unnecessary barriers to vaccine introductions**, they also emphasised the importance of continuing to assess 'country readiness' and that this could be better achieved by developing vaccine-specific introduction criteria in operational guidance. **The Board is requested to authorise the immediate roll-out of these shifts.**

Section E: Actions Requested of the Board

The Gavi Alliance Board is **requested** to:

Approve targeted support (excluding vaccine financing) to former Gavi-eligible countries to address an identified risk of reduction in coverage rates of vaccines introduced with Gavi support in that country, **noting** that the financial implications are expected to be up to US\$ 20 million, to be funded through the flexibilities granted to the Gavi CEO by the Board in May 2020 to respond to the COVID-19 pandemic.

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

Grant the Secretariat the authority to implement the following policy shifts from 1 July 2020 within the existing policy framework, noting that these shifts were approved by the Board in December 2019 for incorporation into Gavi's new funding policies:

- a) Removing the programme filter requiring 70% or higher coverage of the 3rd dose of DTP-containing vaccine for a country to access new support for select vaccines (as set out in the Eligibility & Transition Policy);
- b) Allocating HSS resources according to four criteria: equity (number of zero-dose children), coverage (number of under-immunised children), ability to pay (GNI pc), and population in need (birth cohort), with all four criteria equally weighted;
- c) Removing the cap of US\$ 100 million over five years currently applied to total country HSS ceilings, but retaining the floor of US\$ 3 million;
- d) Integrating support for CCEOP into HSS support; and
- e) Discontinuing the mechanism of awarding Performance Payments (as set out in the HSIS Support Framework).

Annexes

Annex A: Updated Alliance KPIs dashboard

Annex B: Strategy Indicators reported as originally defined

Annex C: AFC update on risk management

Annex D: Update on Funding Policy Review

Annex E: Gavi 5.0 MICs Approach and COVID-19

Annex F: Risk implication and mitigation for COVID-19

Additional information available on BoardEffect

Appendix 1 (in May 2020 PPC meeting book): Annex D to Doc 03 *Strategy: Progress, Challenges and Risks and implications of COVID-19 on Gavi 5.0 Operationalisation*

Appendix 2 (in Resource Library under “CEO Updates, Reports & Presentations to Board”): COVID-19 Situational Reports