

**SUBJECT: COVID-19: GAVI'S IMMEDIATE AND INTERIM RESPONSE**

**Agenda item: 04**

**Category: For Decision**

### **Section A: Introduction**

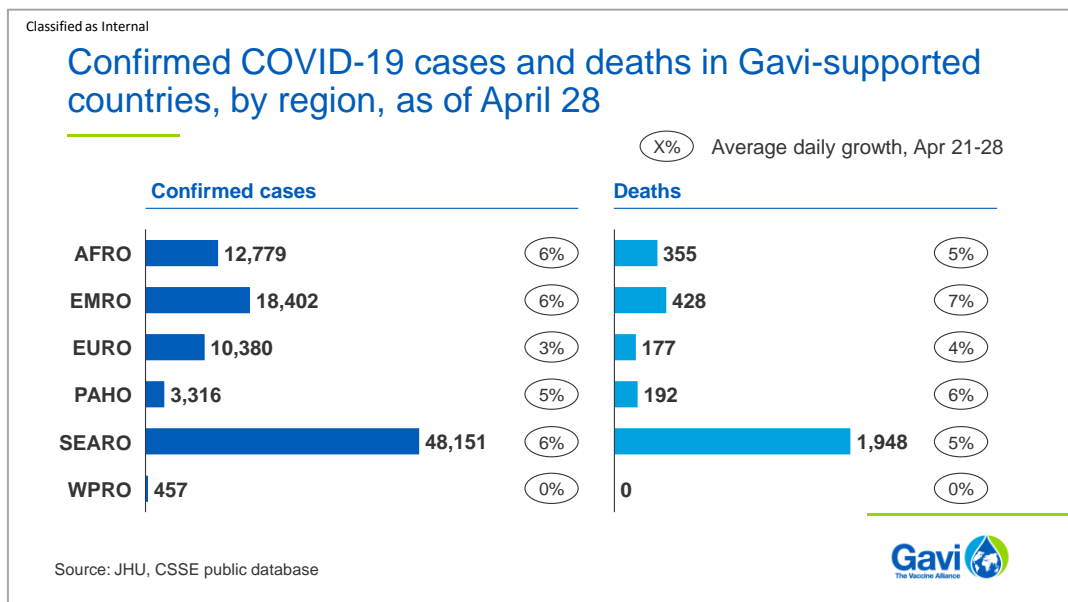
- **COVID-19 is an unprecedented health, social and economic crisis in a highly interconnected, interdependent world.** Immunisation services in Gavi-supported countries, particularly new vaccine introductions and mass preventive campaigns, have been hit by the pandemic. This means millions of children are at risk of missing vaccinations necessitating catch-up strategies and outbreak response. Countries will also require increased financial and technical support to restore immunisation delivery sooner rather than later. Ultimately, only a safe and effective vaccine will allow the world to halt transmission and prevent the resurgence of COVID-19.
- **As the pandemic unfolds, Gavi has taken swift action to enable Gavi-supported countries to reprogramme existing support as they prepare to respond to the pandemic.** In parallel, Alliance efforts are underway to help countries maintain immunisation services among other essential health services and contain the knock-on effect of the COVID-19 crisis. Gavi is also a major actor in the global community's collaborative efforts to accelerate the development and equitable access to COVID-19 vaccines.
- **The global economy is expected to suffer the worst recession at least since the Great Depression.** Given the IMF (International Monetary Fund) outlook, Gavi-supported countries are likely to suffer severe declines in their gross national incomes (GNIs). This would impact their transition status and shrink their fiscal space, limiting capacity to co-finance/self-finance vaccines and step up domestic investments in primary health care (PHC) including immunisation. Inability of countries to co-finance or self-finance vaccines would increase the risk of stock-outs and inability to vaccinate children.
- **This paper provides an update on Gavi's current response and evolving priorities in relation to COVID-19 over the next 18 months,** and addresses the implications for Gavi 5.0 and Secretariat operations. Against the backdrop described above, the paper requests the Board to approve flexibilities related to eligibility, transition and co-financing for 2020 and 2021. The Board is also requested to grant the Gavi CEO authority to adjust and/or exceed the aggregate overall Gavi forecasted budgetary amounts for these two years by up to 20% to help countries mitigate the impact of the COVID-19 pandemic on immunisation services. These flexibilities can be accommodated within the current replenishment ask. The paper also provides an update on Gavi's role in ensuring accelerated and

equitable access to and delivery of appropriate COVID-19 vaccines and highlights a call for Gavi’s leadership in helping countries address their full cold chain needs to respond to COVID-19 and potentially other essential health commodities critical for effective PHC. Support for COVID-19 vaccines and expansion of cold chain for a broader set of commodities would require mobilisation of supplementary resources. Based on the Board’s decisions and guidance, more detailed proposals and regular updates will be brought to upcoming Programme and Policy Committee (PPC) and Board meetings.

**Section B: Gavi’s current response and evolving priorities over the next 18 months**

**1. Current impact of the pandemic and Gavi’s immediate response**

1.1 As of 28 April 2020, **67 of 73 Gavi-supported countries<sup>1</sup> had confirmed cases of COVID-19**, accounting for ~2% of the reported global burden. There is significant regional variability in the number of confirmed cases and deaths, with over half of the ~90,000 cases and ~3,000 deaths occurring in three large Asian countries (India, Pakistan and Indonesia). While incidence and mortality appear to remain relatively low in Africa, the number of reported cases is doubling every 10-12 days in most Gavi-supported countries and testing remains limited. These countries may find it challenging to implement lockdowns and control measures used elsewhere, and thus the direct impact of the pandemic may become more substantial.

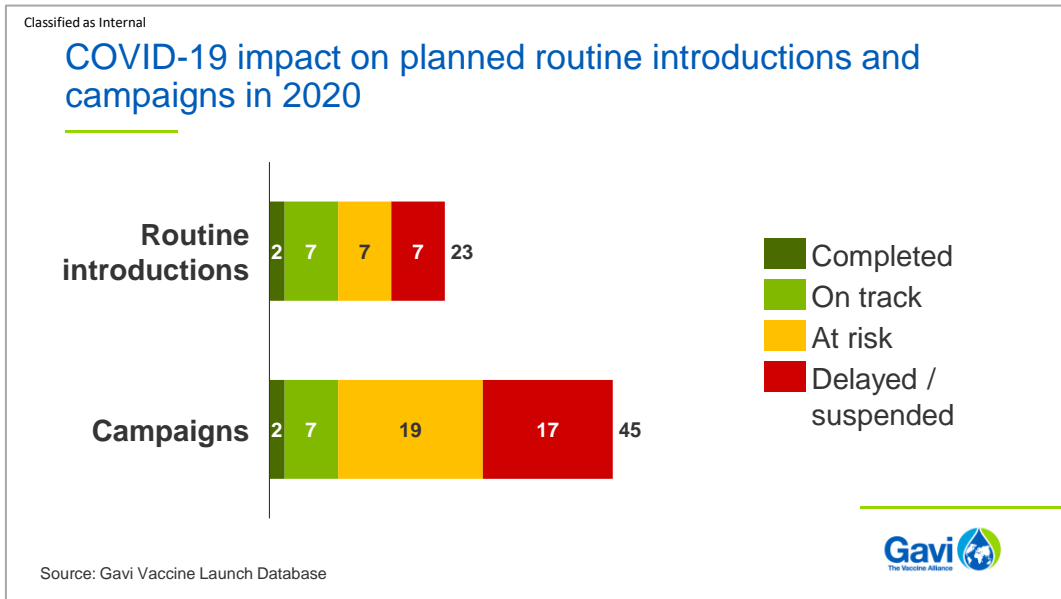


1.2 **The March 2020 meeting of the WHO Strategic Advisory Group of Experts on Immunization (SAGE) emphasised that immunisation remains a core health service and should be prioritised during the pandemic.** One analysis by the London School of Hygiene and Tropical

<sup>1</sup> includes Gavi-eligible and post-transition countries

Medicine<sup>2</sup> looking at the risk of COVID-19 transmission in the context of immunisation visits suggested that for every one death attributable to COVID-19 acquired during routine vaccination clinic visits, approximately 101<sup>3</sup> under-five deaths from vaccine-preventable diseases (VPDs) could be averted from sustaining routine immunisation in Africa. However, the pandemic has already had a **significant and visible impact on immunisation and other essential health services** in Gavi-supported countries:

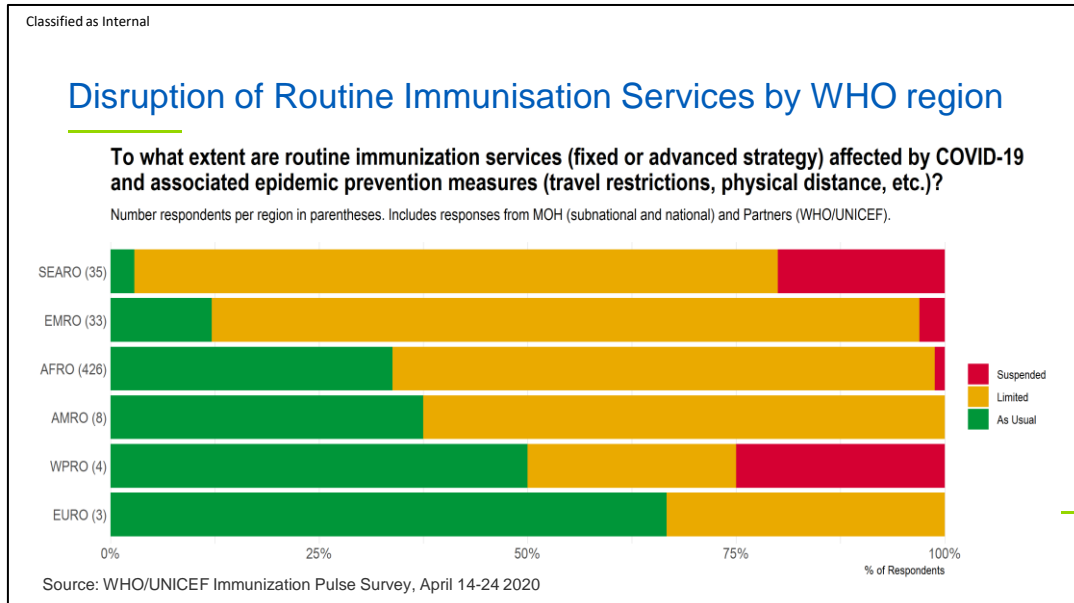
- a) **Vaccine introductions:** WHO has advised countries to carefully re-evaluate decisions on new vaccine introductions and consider postponement. To date, seven Gavi-supported vaccine introductions have been delayed with a further seven at risk;
- b) **Immunisation campaigns:** SAGE has also recommended that mass preventive campaigns be temporarily suspended in all countries and that a careful risk analysis should inform decisions on conducting outbreak response campaigns. As of 27 April, 17 Gavi-supported campaigns have been suspended or delayed, targeting a total population greater than 145 million people, and another 19 are at risk in 2020;



<sup>2</sup> CMMID nCov working group, 2020: “Benefit-risk analysis of health benefits of routine childhood immunisation against the excess risk of SARS-CoV-2 infections during the COVID-19 pandemic in Africa” (paper under peer review)

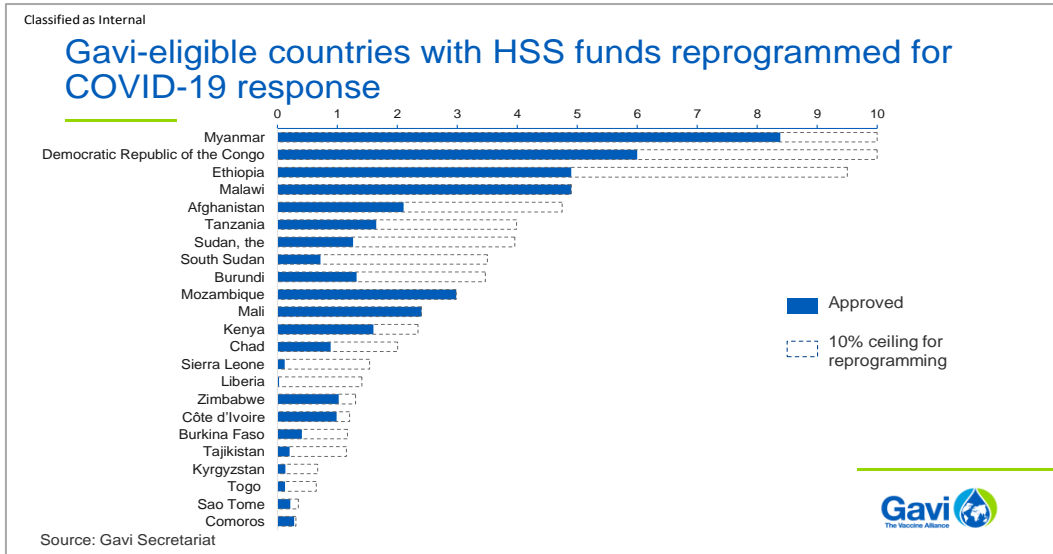
<sup>3</sup> Range 29-347

- c) **Routine immunisation services:** Though in most countries health facilities are reportedly open and continuing to offer fixed site immunisation, uptake of services has been impacted. Measures such as physical distancing and lockdowns undertaken to contain the spread of the disease disrupt both demand and supply of routine immunisation services. In particular, nearly half of countries in Africa have partially or entirely suspended outreach. This is likely to disproportionately impact the most marginalised communities who may not be able to easily access health facilities;

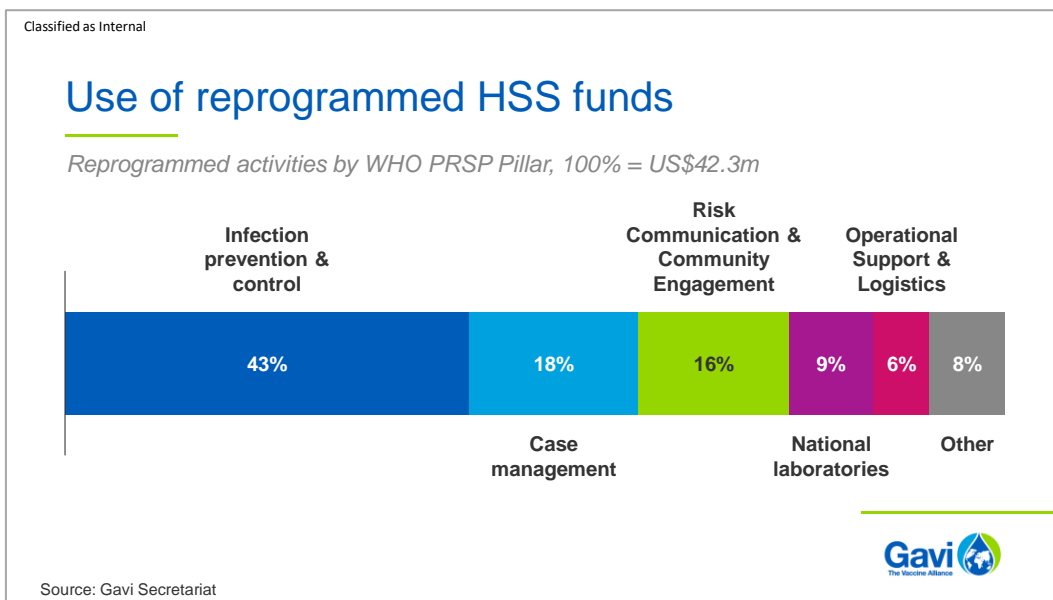


- d) **Demand:** Reports from many countries suggest significant drops in attendance at immunisation sessions due to challenges in accessing health facilities (e.g. due to restrictions on movement or concerns about COVID-19 exposure). COVID-19 has also been used to fuel anti-vaccine sentiment in some countries;
- e) **Health workforce:** Health workers in the most affected countries are increasingly being diverted to the COVID-19 response. There are increasing reports of absenteeism among health workers due to travel restrictions, sickness, self-isolation, concerns about their own health and a lack of personal protective equipment (PPE). Given that ~70% of healthcare workers in lower middle-income countries (LMICs) are female, women are disproportionately affected; may

- f) **Supply chains:** While vaccine and cold chain manufacturing have not been significantly affected, restrictions in air travel and movement have impacted international shipments and hindered distribution of vaccines in some countries. As of 27 April 2020, UNICEF identified 26 countries that are either facing a critical stock out or approaching a stock out of at least one vaccine. In addition, risks of vaccine wastage due to expiry or inadequate storage are increasing in the event of prolonged disruptions in vaccine introductions and campaigns. Cold chain equipment installation has been delayed in two of the 13 countries with deployment ongoing and three others are at risk of delay; and
- g) **Gavi engagement:** COVID-19 is impacting the Alliance's ability to remain closely engaged with countries. With Expanded Programme on Immunization (EPI) staff increasingly being diverted to the COVID-19 response, planning for new Gavi support has been delayed. Audits, surveys, assessments and routine planning activities have largely been suspended and some Alliance technical support has been hindered by travel restrictions. The presence of ~300 core partner staff on the ground funded through Gavi's Partner Engagement Framework's Targeted Country Assistance (PEF TCA) is playing a key role in the immediate response and in advocating for maintaining immunisation services. Similarly, Gavi's non-UN and private sector partners are being leveraged by country leadership.
- 1.3 **In early March, Gavi made available up to US\$ 200 million in support of countries' COVID-19 preparedness and response plans.** This included allowing countries to reallocate up to 10% of their health system strengthening (HSS) grants, their PEF TCA and post transition support. The primary purpose was to help prepare countries' health systems to be able to deal with the impact of COVID-19, and help protect immunisation programmes and maintain services to the extent possible. All Gavi support is aligned to countries' Strategic Preparedness and Response Plans and coordinated with other donors (e.g. World Bank, The Global Fund, Global Financing Facility). Gavi introduced a fast-track application process and committed to review and approve all applications within five days of receipt.



1.4 **As of 27 April, Gavi has approved HSS reprogramming of US\$ 42 million for 24 countries.** Another eight applications are under review. So far most countries have chosen not to apply for the maximum 10% reallocation, signalling the value they place on maintaining immunisation. Over 40% of support approved to date has been for personal protective equipment (PPE) and other infection prevention and control (IPC) supplies to protect health workers. Another 18% has been allocated for case management and a further 16% for risk communication and community engagement to support behaviour change to prevent the spread of COVID- 19 and maintain demand for essential health services such as immunisation. Other major areas of support include laboratory testing and operational support and logistics.



1.5 **There are however reports of countries facing difficulties in procuring critical medical products to respond to the pandemic.** The supply of these products, especially for prevention, testing and treatment, and the raw

materials for their production, has been profoundly disrupted, due to price surges, bidding wars, confiscations, border seizures and considerable political tension. This has limited access to critical equipment in those countries that need it the most and may endanger health workers worldwide<sup>4</sup>. To help address these issues the Secretariat has set up a pre-financing mechanism with UNICEF to accelerate countries' access to PPE and diagnostics procured with Gavi support.

**1.6 Under the PEF, the Alliance is also realigning and reprioritising its work to monitor and respond to COVID-19.** For example:

- a) **At country level, the Alliance has reacted swiftly to adjust its PEF TCA priorities to respond to the crisis.** WHO has supported in leading the development of COVID-19 country response plans, while UNICEF works to maintain demand and supply chains for immunisation. Gavi's non-UN and private sector partners<sup>5</sup> have also pivoted their support to address the pandemic in creative ways. For example, in Pakistan Acasus modified their immunisation mobile apps to capture data on suspected cases and hospital readiness.
- b) **At global and regional levels, UNICEF is closely monitoring vaccine stock levels in countries** and along with WHO, and the Secretariat, they are working together to prioritise vaccine shipments in order to manage the risk of stockouts. Where necessary, Gavi has agreed to pay for the cost of charter flights to ensure vaccines can be shipped. The Immunisation Supply Chain Steering Committee is reprioritising its activities to address the specific supply chain challenges posed by the COVID-19 response, as are other strategic focus areas including demand, data and sustainability. For example, the Learning Network for Countries in Transition has shifted the focus of its content and engagement to highlight peer-exchanges on the impact of COVID-19 on immunisation. Partners are coordinating continued monitoring of the pandemic, and its impact on immunisation services, through a cross-Alliance monitoring and evaluation group.

**2. Programmatic response over the next 18 months: Maintaining and restoring immunisation services**

- 2.1 While the longer-term trajectory of the pandemic remains uncertain, it is already clear that millions of people in Gavi-supported countries will miss out on immunisation,** likely leading to a resurgence of VPDs and outbreaks, exacerbating existing inequities and putting the most marginalised and poorest communities at greatest risk. **This highlights the critical importance of Gavi's vision to leave no one behind with immunisation and of equity as Gavi 5.0's organising principle,** and underscores the imperative of ensuring that country response plans prioritise the restoration of essential health services such as immunisation

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<sup>4</sup> More details provided in Appendix 1

<sup>5</sup> More details provided in Appendix 2

with a particular focus on missed communities.

- 2.2 **WHO has developed practical guidance on delivering immunisation services during the pandemic and is working on guidance for conducting outbreak response in the context of COVID-19 and on catch-up and recovery efforts.** The guidance encourages local adaptation and innovation, given that the spread of the pandemic varies between and within countries. Countries will need to rapidly identify those who have been missed, conduct localised risk assessments and develop a range of tailored delivery strategies. These may have to be redesigned in light of COVID-19 and may be more expensive than traditional approaches (e.g. with improved infection prevention and control practices such as smaller sessions, and physical distancing), and will likely operate under health worker and supply chain capacity constraints. Caregiver demand and trust may also have to be rebuilt deliberately.
- 2.3 **The Alliance will need to consider how it can best support countries to maintain and restore immunisation services in this context.** This will require Gavi to be flexible, creative and adaptive, willing to adjust its support modalities and processes, and 'reimagine' immunisation in the post-COVID world. The full voice of the Alliance, HSIS (health system and immunisation strengthening), PEF TCA and Post Transition Engagement funds will be leveraged to restore immunisation services as quickly as possible, catch-up missed children and provide outbreak response where needed. The Secretariat is working with partners to ensure the necessary support is available, grounded in a number of core principles:
- a) **VPD control remains Gavi's priority:** Significant disruption in immunisation puts millions of lives at risk. Gavi's focus will be on helping countries to mitigate the impact of COVID-19 on immunisation services and to rebuild quickly to ensure high and equitable coverage;
  - b) **Equity as an organising principle:** The most marginalised communities, especially those with large numbers of zero-dose and under-immunised children, will be most impacted by the pandemic and are at greatest risk of VPDs. They must be a priority in the response, while recognising that many more children will likely become 'zero-dose' or under-immunised, given the impact of the pandemic including in communities that have historically had high coverage rates;
  - c) **Exceptional situation requiring flexible and differentiated responses:** COVID-19 will put an enormous strain on immunisation programmes and will require them to adapt their mode of operation, informed by WHO normative guidance. Given uncertainty in how the pandemic will evolve and the variability that is to be expected across countries, the Alliance will need to remain flexible and agile and provide a range of targeted and differentiated support options to meet the needs of different countries;
  - d) **Integrated approach to recovery:** Plans to maintain and restore immunisation should be embedded in countries' overall COVID-19



recovery plans and identify opportunities for integrated service delivery. This includes existing immunisation services, other basic primary healthcare (PHC) services and future COVID-19 vaccination. Recovery plans should also take an integrated approach to restoring service delivery and strong community engagement to rebuild trust and demand. These efforts can help shape a 'new normal' of integrated PHC delivery, including in communities who have historically been reached by immunisation but not other routine health services. The Alliance will work with other donors and partners at country and global level to ensure its support is coordinated and to enable integration of services; and

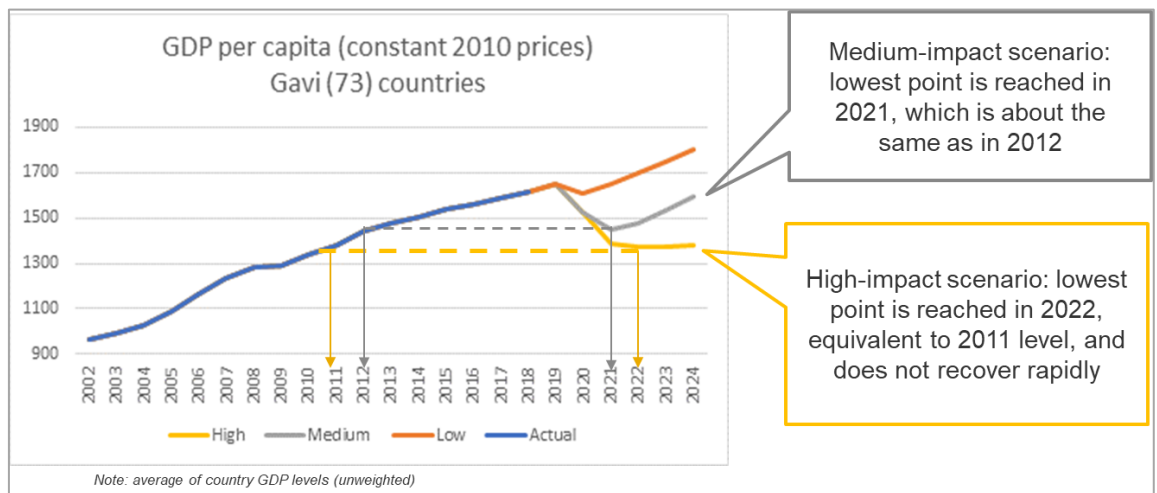
- e) **Seize opportunities to build back better:** While COVID-19 is a global crisis, the response is also an opportunity to learn to work differently, 'reimagine' immunisation and rebuild systems that are stronger, smarter and more resilient to future health emergencies. The Alliance will be deliberate in helping countries to identify and seize these opportunities.

2.4 **Based on these principles, the Alliance is identifying concrete ways to support countries,** which will be brought for discussion at the next PPC and Board meeting. To ensure sufficient flexibility, Gavi will need to make adjustments to current support and processes (e.g. frontloading HSIS funding to enable accelerated catch-up, supporting increased operational costs for modified outbreak response and integrated campaigns, and streamlining application and review processes). Gavi's model already seeks to be responsive to country needs including through flexibilities in the Fragility, Emergencies and Refugees (FER) Policy. However, the FER Policy did not envisage a global emergency affecting all Gavi-supported countries simultaneously. The Secretariat will require the ability to quickly implement such flexibilities across a much broader range of countries.

2.5 **Several donors and partners have also approached Gavi to explore whether the Cold Chain Equipment Optimisation Platform (CCEOP) could be used to help support the broader response to COVID-19.** Through the CCEOP, the Alliance has a comparative advantage in helping countries assess their overall cold chain needs for COVID-19 diagnostics, therapeutics, samples and COVID-19 vaccines, finance procurement of equipment, and shape the market to ensure sufficient availability of the right cold chain technologies at optimal prices. This could also ensure adequate cold chain for other critical PHC commodities such as Oxytocin. Separately, the Secretariat has also been approached by WHO and a major donor, who have identified the CCEOP as the best-available platform to accelerate solarisation of health facilities, which can make a major contribution to ensuring resilience of health systems in responding to future emergencies (including by channelling existing donor support for solarisation through the CCEOP). If Gavi were to provide support to strengthen cold chain to meet a broader set of needs, it would require mobilisation of supplementary funding.

### 3. Responding to the fiscal impact of the pandemic on immunisation programmes in Gavi-supported countries

- 3.1 According to the IMF and the World Bank, the negative economic impact of COVID-19 is expected to result in the worst peacetime recession since the Great Depression. Three scenarios model the impact of this shock on Gavi-supported countries based on IMF estimates. In the low-impact scenario – recently deemed too optimistic by the IMF itself and still the worst recession in decades – global gross domestic product (GDP) would fall by ~3% and recover rapidly. In the medium and high impact scenarios, GDP per capita of Gavi-supported countries could regress to levels of 10 or more years ago.



*Projected evolution of GDP per capita in Gavi-73 countries in three potential scenarios of impact of the pandemic*

- 3.2 **The economic downturn, under all scenarios, poses risks to countries' ability to co-finance.** 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 programmes, resulting in a higher risk of co-financing defaults and therefore of stock-outs. **Similarly, expected transition trajectories could also be affected** as GNI per capita growth rates decelerate or turn negative. Many current Gavi-eligible countries could see their progression through the phases of support delayed, with several moving backwards. Among countries that have already transitioned, only one or two countries are projected to regain eligibility, given that their GNI per capita levels are already considerably above Gavi's eligibility threshold.
- 3.3 **The Secretariat is proposing three flexibilities in the application of Gavi's Eligibility & Transition and Co-financing policies to respond to the fiscal impact of the pandemic on immunisation programmes.**

- a) **The first flexibility is to ‘freeze’ country eligibility in 2021 so that countries remain in their current (2020) phase.** This would address the inherent multi-year time lag in the underlying GNI data used to determine a country’s eligibility and specific phase. This time lag, in the context of rapid deterioration in GNI per capita, can result in inaccurate categorisation of countries. Without this ‘freeze’ Gavi would be using 2019 GNI data, from before the onset of the pandemic, to determine 2021 eligibility;
- b) **Second, to also ‘freeze’ co-financing levels in 2021 at the current 2020 levels.** Even if a country’s eligibility and phase of support remain unchanged, annual co-financing levels for countries in preparatory and accelerated transition phases would otherwise continue to increase, despite potential decreases in GDP and revenues<sup>6</sup>; and
- c) **Third, the CEO to review and approve on a case-by-case basis any request to waive co-financing in 2020.** This reflects guidance given by the Board in March 2020 to consider waiving co-financing obligations for 2020. As of 28 April 2020, three Gavi-eligible countries have formally requested a co-financing waiver for 2020, and there are specific indications of challenges in the fulfilment of 2020 obligations in another 18 countries. In this approach, the Secretariat is acutely aware of the need to balance ensuring that co-financing obligations do not hamper countries’ efforts to tackle the pandemic alongside helping them to protect domestic vaccine budget allocations<sup>7</sup>. Whilst wishing to apply flexibilities only where there is need, a key challenge will be the lack of timely data to objectively determine which countries should or should not receive flexibilities.

**3.4 The Secretariat is also exploring whether additional time-limited support for former Gavi-eligible countries might be appropriate.** In June 2019, the Board agreed to continue Gavi’s engagement in former Gavi-eligible countries to prevent the risk of backsliding in vaccine coverage. The COVID-19 pandemic increases both the likelihood and potential extent of backsliding. Time-limited support could include vaccine financing alongside targeted service delivery support to maintain the continuity of routine immunisation supplies and services and, where necessary, carry out catch-up campaigns to alleviate disruptions. The financing of any additional measures for these countries would be from within the earmarked envelope for former and never eligible MICs. The Secretariat will bring specific proposals to support former Gavi-eligible countries to the an upcoming PPC.

<sup>6</sup> In December 2019 the Board agreed to revising the Co-Financing policy to provide flexibilities in such situations. In the current context it may require a broader application across all countries.

<sup>7</sup> There is no reliable data on domestic budgetary vaccine allocations, which is why this aspect cannot be assessed with accuracy.

4. **Ensure accelerated access to and delivery of appropriate COVID-19 vaccines**
- 4.1 **Safe, effective and affordable vaccines are the most effective way to protect the most vulnerable, stop local and cross-border transmission and prevent resurgence.** Vaccination in countries with weaker health systems or at greater risk of undetected ongoing transmission will be critical to the global effort to contain the pandemic.
- 4.2 **Making vaccines available for broad use in record time will require innovative approaches** to compress the standard development pathway timeline as well as immediate planning and 'at risk' investments for downstream steps like manufacturing and delivery. New models of coordination will also be necessary. This has already begun, with the World Bank convening a time-limited COVID-19 Vaccine Development Task Force to which Gavi has actively contributed by participating in the Financing Cluster and chairing the Manufacturing Cluster. On 24 April 2020, at a meeting co-hosted by Dr. Tedros, President Macron, President von der Leyen of the European Commission (EC) and Melinda Gates, a collection of stakeholders, including the Alliance, other partners and 10 heads of state **launched the 'Access to COVID-19 Tools' (ACT) Accelerator**, a global collaboration platform to accelerate development and production and assure equitable global access to new COVID-19 essential health technologies including vaccines. WHO also announced that Gavi's Board Chair Dr Ngozi Okonjo-Iweala, and Sir Andrew Witty, the former CEO of GSK, will be special envoys for the Accelerator. **Gavi will co-lead the Accelerator's vaccine pillar with the Coalition for Epidemic Preparedness Innovations (CEPI).**
- 4.3 **Gavi's engagement in COVID-19 vaccine is focused on supporting a) acceleration of vaccine development, b) enabling equitable access to sufficient and timely supply of vaccine for lower income countries, and c) preparing and supporting these countries to deliver these vaccines at high and equitable coverage.** In achieving these objectives, the Alliance will draw from its expertise in market shaping, its innovative financing tools and its experience working with countries to support their roll-out of new vaccine programmes. Gavi can also play an essential role in facilitating engagement of Gavi-supported countries and CSOs. **Funding for making COVID-19 vaccine available to Gavi-supported countries is not accommodated under the replenishment ask and would require separate fundraising.**

- a) **Support acceleration of vaccine development:** WHO is leading the development of an overarching Research & Development (R&D) Action Plan for COVID-19 vaccines. The Alliance has been contributing to ensure that R&D prioritisation decisions reflect factors that affect downstream access and uptake in lower income countries, such as the manufacturability, scalability and acceptability/use of vaccines. **Gavi is also exploring making available the International Finance Facility for Immunisation (IFFIm) to accelerate the availability of additional new donor financing** for COVID-19 (see Document 03). Norway has requested the use of IFFIm to frontload its funding to CEPI for COVID-19 vaccine development, and there may be additional requests from other CEPI donors or potentially requests to leverage IFFIm for other aspects of COVID-19 vaccine development, manufacturing and delivery.
- b) **Enable equitable access to sufficient and timely supply of vaccines for lower income countries:** Drawing from the Alliance's deep experience with innovative vaccine financing approaches, a COVID-19 Advance Market Commitment (AMC) may potentially be a suitable approach which Gavi is exploring as part of the broader coordinated efforts of the Accelerator to contribute to equitable access to vaccines for lower income countries. A **COVID-19 AMC could leverage a combination of approaches to accelerate the availability of suitable and affordable vaccines.** First, the AMC could utilise 'pull' funding, whereby a commitment is provided to purchase quantities of vaccine at established and equitable pricing, to provide incentives to manufacturers to invest in large scale capacity. This draws upon Gavi's experience of an existing AMC for pneumococcal vaccines, which has prevented 700,000 children's deaths, and of the Advance Purchase Commitment (APC) for Ebola, which has helped to control the latest outbreak in DRC. Second, the AMC could also include 'push' funding, to directly support the expansion of manufacturing capacity, secure critical raw materials and equipment and help to transfer technology from developers to manufacturers. This draws upon the experience of the Meningitis Vaccine Project, which took a vaccine from a lab in the Netherlands to a large producer in India. The use of a combination of 'push' and 'pull' elements could be flexibly tailored to address the specific challenges faced by different manufacturers, but should be based on a consistent set of criteria and principles, such as on risk-sharing and pricing. **The concept of a potential COVID-19 AMC is currently being discussed by Gavi and other partners, and the Secretariat will keep the PPC and Board updated.**

- c) **Prepare and support lower income countries to deliver vaccines at high and equitable coverage:** WHO and SAGE will define the vaccination strategy for COVID-19 vaccines. In the interim, the Secretariat has been developing with partners indicative vaccination scenarios to inform planning assumptions and early forecasts. Beyond considerations for vaccinating specific populations (e.g. healthcare workers, older adults, etc.) these scenarios include a stockpile that should be maintained to address hotspots with significant number of cases and limited ability to contain spread of the disease. The **Alliance will also likely need to help any supported countries in building the capacity to receive and deliver vaccines in a timely manner.** Preparing systems to deliver COVID-19 vaccines is expected to be intensive and go beyond standard activities (e.g. training, microplanning, cold chain expansion), as the infrastructure to deliver vaccines to new target populations may need to be built. This will be integrated with broader efforts to maintain and restore immunisation services (see above).

- 4.4 **Gavi will need to define its scope of country engagement in COVID-19 vaccines.** So far Gavi has been defining its scope of supported countries as the 'Gavi 73'<sup>8</sup>. However, this definition is based on historical assessment of eligibility that utilised GNI per capita (p.c.) levels from 10 years ago or more. Hence, the 'Gavi 73' includes upper middle-income countries (UMICs) that are significantly wealthier than some countries that have never been eligible for Gavi support. For COVID-19 vaccines, Gavi could evolve the scope of countries to include all low-income countries (LICs) and lower middle-income countries (LMICs).<sup>9</sup> This definition would include 78 countries, a small increase from the current list and comprising ~50% of the global population.<sup>10</sup> This would have several benefits: it focuses Gavi support on the poorest countries in the world today, it utilises a recognised definition (World Bank's LIC and LMIC income categories) instead of a Gavi-specific threshold, and it is simple and transparent. For this new group of 78 countries, Gavi would provide access to vaccines through the AMC and financial support for vaccine procurement, technical assistance and delivery. Gavi could also consider engagement with upper middle-income countries (UMICs) on COVID-19 vaccines, for example a subset with greatest need. Engagement with UMICs could focus on providing access to vaccines through an AMC rather than financial support for vaccine procurement or delivery. The Secretariat will further consider the scope of country engagement and level of support for future discussion with the PPC and Board.

<sup>8</sup> Gavi 73 includes Gavi-eligible and post-transition countries

<sup>9</sup> Includes all countries with GNI p.c. up to ~US\$ 4,000, including West Bank and Gaza.

<sup>10</sup> Six upper middle-income countries currently included in the Gavi 73 would not be included in the 78 countries (Armenia, Azerbaijan, Cuba, Georgia, Guyana and Sri Lanka)

## **Section C: Implications for Gavi 5.0 priorities**

- 5.1 **As described above the Alliance remains grounded in the Gavi 5.0 strategy** with its vision of leaving no one behind with immunisation and equity as the organising principle which is more relevant than ever in the light of the pandemic. However, the pandemic and Gavi's response requires to reassess and reprioritise some **elements of Gavi 5.0**:
- a) **Strategic Goal 1 – Introduce and Scale up Vaccines:** With the impact of COVID-19 on countries' priorities, the introduction of new vaccines might be considered less urgent as countries focus on restoring immunisation coverage. The rollout of the various vaccines approved through the vaccine investment strategy (VIS) in 2018 might have to be deferred and reassessed after the acute phase of the pandemic. Once available and approved by the Board, the rollout of COVID-19 vaccines will become an additional priority for the Alliance. The pandemic also highlights the critical importance of early detection of pathogens with epidemic potential and strong preparedness for response. As VPD outbreaks could intensify, access to stockpiles may become even more important. The Alliance may want to look into how it could take a more deliberate approach in this area, particularly in infectious disease surveillance.
  - b) **Strategic Goal 2 – Strengthen Health Systems to Increase Equity in Immunisation:** As described in detail in section B COVID-19 is likely to result in millions of children being missed for immunisation, and particularly impact the most marginalised communities. While countries are likely to face delays in planning and implementing Gavi's health system support, equity – with a focus on zero-dose children and marginalised communities – will be at the heart of Gavi's efforts to maintain and restore immunisation services. This provides an opportunity to test new ways of working and accelerate progress on equity through highly differentiated, targeted and tailored approaches involving local partners and communities and a subnational focus. Coordination with other donors and partners will be more important than ever, maximising opportunities for integrated and equitable PHC service delivery.
  - c) **Strategic Goal 3 – Improve sustainability of immunisation programmes:** The long-term goal to promote domestic public resource allocation for immunisation and PHC remains as important as ever. However, as outlined in section B, COVID-19 puts at risk some countries' ability to prioritise domestic public resources for immunisation and to transition successfully out of Gavi support. Hence, Gavi's ambition for levels of co-financing and number of successful, sustainable transitions will need to be adjusted in line with the ultimate impact of COVID-19. Flexibilities to mitigate the acute impact of the pandemic, such as co-financing waivers, need to balance this acute need with the objective to continue to incentivise countries on their path to a successful transition.

- d) **Strategic Goal 4 – Ensure healthy markets for vaccines and related products:** Healthy markets and innovation for vaccines and vaccine-related products will continue to be a priority for Gavi. In addition to the existing vaccine portfolio, Gavi has started to put a focus on shaping the market for COVID-19 vaccines to ensure equitable access for developing countries. The Alliance is also prioritising ensuring uninterrupted supply of its existing vaccine portfolio during the pandemic (more details provided in section B).
- 5.2. **The COVID-19 pandemic also poses challenges to operationalising the Gavi 5.0 strategy.** The operationalisation is a consultative process articulated across six workstreams and aims to review and transform Gavi's policies, strategic approaches, processes and tools to ensure alignment with the new strategy. Given the uncertain impact of COVID-19 in countries and bandwidth constraints in the Secretariat, the Alliance and in countries much of the operationalisation work is being slowed down and adjusted to respond to the new realities in countries. More details will be brought to the upcoming PPC.

#### **Section D: Mitigating risk on Secretariat internal operations**

- 6.1 **The Secretariat is also taking the required steps to manage the impact of COVID-19 on Secretariat operations.** It has put in place a set of preventative and remediation measures to protect the health and safety of its staff and ensure business continuity. To address the significant amount of new COVID-19 related work, it has set up a temporary, lean cross-departmental COVID-19 project team with short-term surge capacity, and slowed down or paused less urgent work. For further details, please refer to the report on “COVID-19: Operational Implications”, Doc 02 to the 6 May 2020 meeting of the Audit and Finance Committee on BoardEffect.

#### **Section E: Financial Implications**

- 7.1 **Implications for existing programmes:** The adaptation of Gavi's existing programmes to respond to COVID-19 (including HSIS, TCA and Secretariat capacity) can be accommodated under the current replenishment ask. It is likely that the response will result in an increase in expenditure in the next 12-18 months (if the Board grants the authority to do so as spelled out in section F). This increase is driven by a) the cost of helping countries respond to the immediate effects of the pandemic and to maintain and restore immunisation services (e.g. through catch-up immunisation strategies, increased HSS and PEF TCA allocations, outbreak response), and b) the cost for responding to the pandemic's fiscal impact on immunisation programmes (i.e. 'freezing' transition and co-financing and waiving co-financing on a case-by-case basis). 'Freezing' country eligibility and co-financing levels in 2021 at 2020 levels would have a financial



implication of US\$ ~150 million<sup>11</sup>. Offering selected co-financing waivers in 2020 could cost up to US\$ 150 million<sup>12</sup> in addition. A share of the increased expenditures is expected to be offset by delayed vaccine introductions and campaigns (see section C) while other parts could be covered through the allocation for strategic investments in Gavi 5.0 (US\$ 413 million) which was created for such events. The Secretariat will also look to reprioritise, reallocate and frontload other sources of funding to meet these needs. **The exact financial implications of COVID-19 on Gavi's existing programmes will depend on the progression and impact of the pandemic**, which is unknown at the moment, and will be reassessed and brought back to the Board on an ongoing basis. Potential longer-term resourcing implications for the Secretariat beyond short-term surge capacity will be determined through an organisational review, currently under way, and be brought to the December 2020 Board. Against this backdrop the Secretariat requests that the Board grant the Gavi CEO the authority to adjust and/or exceed the aggregate overall Gavi forecasted amounts for 2020 and 2021 by up to 20% (including PEF and Secretariat) to respond to the COVID-19 pandemic (see section F).

- 7.2 **Implications for potential new programmes:** The cost of expanding the CCEOP to help countries address their full cold chain needs for COVID-19 (and potentially other PHC commodities), and the cost associated with COVID-19 vaccine are not included in the replenishment ask and would require separate fundraising. Pending the Board's guidance the Secretariat will conduct a detailed costing analysis of expanding the CCEOP for the Board's consideration. It is extremely difficult to predict costs associated with COVID-19 vaccines given they are still in development and vaccination recommendations are yet to be made. Acknowledging significant uncertainties, the Secretariat is currently collaborating with stakeholders to develop indicative cost estimates for vaccine manufacturing support, procurement and delivery. The Secretariat will update the Board once these cost estimates are available.

## **Section F: Actions requested of the Board**

The Gavi Alliance Board is requested to:

- a) **Note** 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 **grant** 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.

<sup>11</sup> The US\$ ~150 million financial impact of freezing in 2021 is the cumulative impact that this 1-year freeze would have throughout the whole 5.0 period (high-level estimate).

<sup>12</sup> Figures are a maximum, assuming that all countries request co-financing waivers for all Gavi-supported vaccines, which might not be the case given that doses might not be needed due to declines in coverage.

- b) **Preserve** countries' eligibility status and co-financing at 2020 levels for 2021 and **grant** the CEO the authority to waive 2020 co-financing obligations on a case-by-case basis upon request by a country.
- c) **Provide guidance** on whether Gavi should play a broader role in helping countries to address their full cold chain needs to respond to COVID-19 and potentially other PHC commodities, recognising that this will require mobilisation of supplementary funding.
- d) **Provide guidance** on whether the three areas of focus for Gavi's engagement in COVID-19 vaccines are appropriate.

**Additional information available on BoardEffect**

**Appendix 1:** Background on COVID-19 and Trade

**Appendix 2:** Gavi private sector partner response to COVID-19