
Subject **Funding Policy Review: Context and Health System
Immunisation Strengthening (HSIS) Policy**

Agenda item **11a**

Category **For Decision**

Section A: Executive Summary

Context

The aim of the Funding Policy Review is to simplify, streamline and align Gavi's three key funding policies: 1) Eligibility and Transition Policy; 2) Co-financing Policy; and 3) Health System and Immunisation Strengthening (HSIS) Support Framework¹. The review began in 2019 as part of the operationalisation of Gavi 5.0. It was paused in 2020 due to the pandemic and restarted in late 2021 with touchpoints at the October 2021 and May and October 2022 meetings of the Programme and Policy Committee (PPC). An independent evaluation and subsequent consultation and policy analysis found the policies to have been fundamental to Gavi's success but recognised that more nuance and flexibility could improve their implementation.

Questions this paper addresses

Whilst the initial scope of the review sought to comprehensively update the policies, the scope has since been modified in consultation with Board members and Alliance partners in recognition of the current political and economic environment. As a result, the Secretariat has focused on addressing key, urgent issues for the current strategic period, with a view to address longer-term aspects as part of the operationalisation of Gavi 6.0. The updated focus of the review is on: i) addressing the risk of unsuccessful transition of countries from Gavi support; ii) ensuring co-financing is not a barrier to uptake of the malaria vaccine; and iii) ensuring prior Board-approved HSIS Framework shifts are reflected in a new HSIS Policy.

This paper provides the scope and context of the overarching review and the process and consultations that have led to the proposed revisions, as well as a reminder of what shifts have already been approved and implemented to HSIS support. This paper should be read and discussed in conjunction with Doc 11b, which proposes specific shifts to the co-financing, and eligibility and transition policies, as well as an approach to co-financing for malaria vaccine. Additionally, this paper presents the updated Framework for Gavi Funding to Countries, which outlines the key principles and interactions between the three policies.

¹ The HSIS support framework operates in a similar manner as a Gavi policy, but with a greater level of detail. The Policy review seeks to resolve this inconsistency with other Board-approved policies.

Conclusions

The PPC recommends to the Alliance Board to approve the new HSIS Policy.

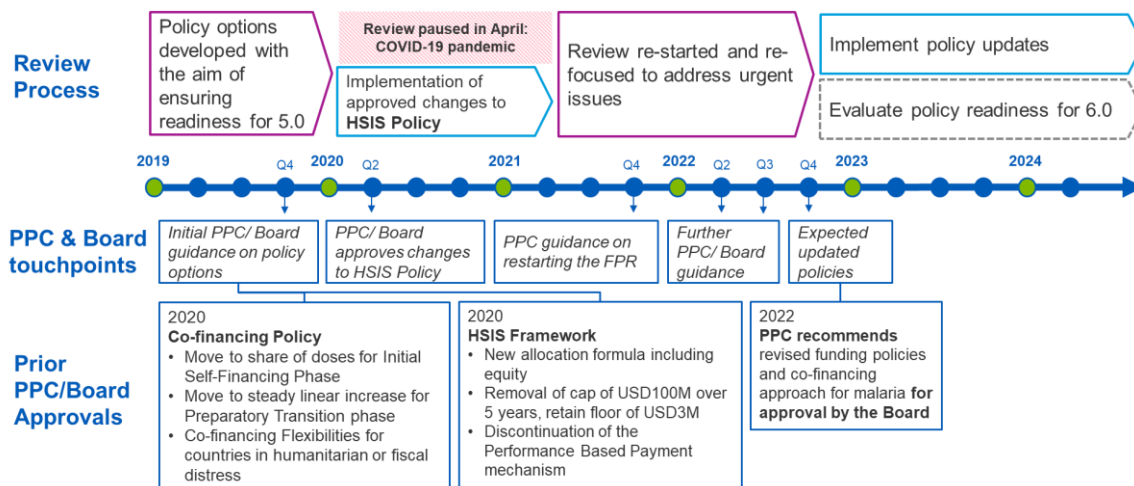
Section B: Funding Policy Review

1. Context and scope

- 1.1 The review started in June 2019 with the objectives of reducing complexity and strengthening the core principles of equity and sustainability, thereby improving predictability for governments and providing greater flexibility to respond to evolving country contexts. The aim at the time was to ensure readiness for implementing Gavi 5.0 with problem statements being developed to reflect policy areas that needed updating.
- 1.2 Following a highly consultative and evidence-informed process that included a review of findings from independent evaluations of the Eligibility and Transition and Co-financing policies, an initial set of recommendations was presented to the PPC in October 2019 and to the Gavi Board in December 2019. In December 2019 the Board approved policy shifts for some of the problem statements, before the review was paused in 2020 due to the pandemic. In order to be responsive and enable countries' access to the full amount of Gavi's funding whilst the review was paused, in June 2020 the Board approved the implementation of some of the approved shifts.
- 1.3 The review was restarted in late 2021, and given the continued impacts of the pandemic, global uncertainty with the cost-of-living crisis catalysed by the war in Ukraine and a challenging economic environment, the Secretariat refocused the review, in consultation with Board members and Alliance partners, to address issues that require urgent attention. This shift in scope avoids complex implementation in the middle of a strategic period and is informed by key on-going strategic priorities highlighted in Gavi 5.1 (see Doc 06). It further maintains flexibility to comprehensively adapt these policies for the Gavi 6.0 strategic period.
- 1.4 The PPC provided guidance in October 2021 and May 2022 on key issues to steer the development of the updated policies. In October 2022 the PPC discussed the three policies and approach for malaria co-financing presented in this paper and Doc 11b and recommended them for approval by the Board. A comprehensive history of the review can be found in Appendix 1 to Doc 06 from the May 2022 PPC, and a summary is depicted in Figure 1 below.
- 1.5 The two urgent issues facing Gavi-supported countries that require urgent attention are: 1) countries in or projected to enter accelerated transition (AT) within the next two years face financial sustainability challenges that could impede their successful transition from Gavi support; and 2) the currently high cost of malaria vaccine requires a time-limited, exceptional response. The proposed approaches to address these issues are described in Doc 11b.

- 1.6 The updated policies reflect the recommendation to streamline and simplify the policies, which should sit at a higher level, focusing on key parameters rather than operational details to enable greater policy flexibility and longevity.

Figure 1: Review process and timelines



2. Key policy revisions

- 2.1 The **Eligibility and Transition Policy** has been simplified and updated to reflect the inclusion of a 35% minimum threshold for countries to move into accelerated transition, and the extension of accelerated transition from 5 to 8 years. If there is continued interest from the Board to review Gavi’s eligibility threshold this could be further explored for the next strategic period, in tandem with replenishment discussions. See further details in Doc 11b.
- 2.2 The **Co-financing Policy** has been updated to reflect the changes to the accelerated transition phase described above. Following up to the Fragility, Emergencies and Displaced Populations Policy that was approved by the Board in June 2022, and the co-financing flexibilities for countries facing humanitarian crisis or severe fiscal distress, whose implementation was approved by the Board at the same time, the policy additionally includes a provision for waiving the co-financing for refugee populations. See further details in Doc 11b.
- 2.3 The Board approved the implementation of shifts to the HSIS Support Framework, which have been in place since 2020. The new **HSIS Policy** reflects these changes (see Section 6).
- 2.4 If approved, the updated funding policies will come into effect from 1 January 2023.

3. Consultations since May 2022 PPC

- 3.1 The Secretariat conducted analysis to determine the best approach to address the urgent issues identified since the May 2022 meeting of the PPC. Following

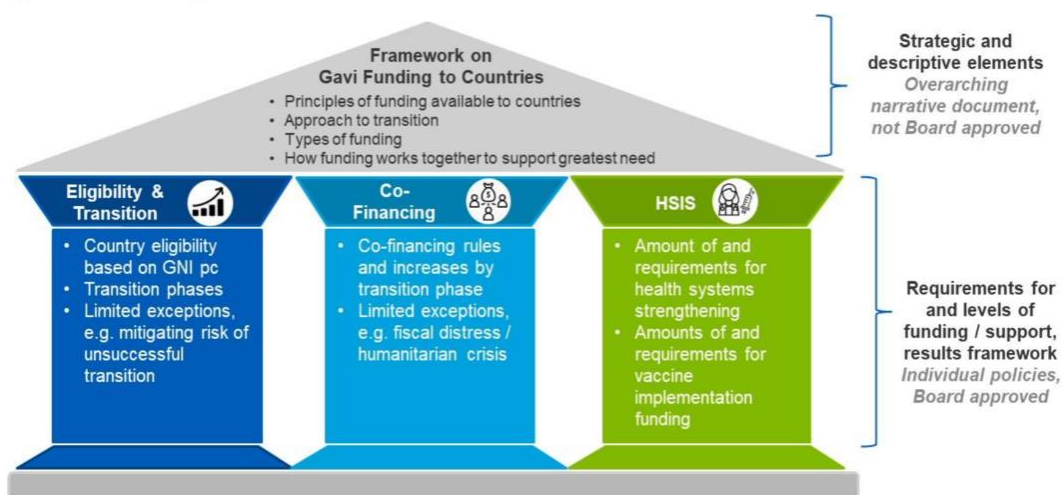
feedback from the PPC in May 2022, the Secretariat discussed this analysis in detail via a series of six consultations with the Immunisation Financing and Sustainability (IF&S) Alliance Taskforce Team (ATT)² in July-September 2022. Feedback from the consultations is detailed in Doc 11b.

- 3.2 The Secretariat also undertook broad consultations with stakeholders across Gavi constituencies, including countries, Civil Society Organisations (CSOs), donors, International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) and Board and Committee members. For further detail see Doc 08a from October 2022 PPC meeting.

4. Framework for Gavi Funding to Countries

- 4.1 The Gavi Secretariat has developed a Framework on Gavi Funding to Countries (see Annex A) which describes Gavi's strategic intentions around its funding to countries and how the three funding policies work together to fulfil these. The document provides an explanatory narrative that sets out the objectives, principles and approach for Gavi funding. This has allowed the streamlining and simplification of individual policy documents. The Funding Framework also puts the three funding policies in the context of other Gavi support and initiatives, which are not covered in the policies e.g. the Middle-Income Country Approach. The PPC has previously noted this document, which has been updated to reflect the latest proposals in the policies.

Figure 2: Funding Policies Architecture



- 4.2 The Funding Framework is supplemented by a Theory of Change (ToC) that articulates how the funding policies are interconnected and how funding levers work together to achieve Gavi 5.0 aims and objectives. The ToC is accompanied by a Monitoring, Evaluation and Learning (MEL) framework, which uses existing indicators at the strategic and process levels to describe

² The IF&S ATT is made up of technical representatives from UNICEF, WHO, the Bill & Melinda Gates Foundation, the World Bank and the US Centers for Disease Control and Prevention (CDC).

how the outputs and outcomes of the three policies will be monitored. These are subject to evolution as Gavi strategy evolves.

- 4.3 The Framework will be adjusted over time as language and thinking evolves. Due to its nature and level of detail, it is not a Board-approved document. The policy 'rules' all sit within one of the three Board-approved policies.

5. HSIS Policy

- 5.1 Strong health systems are vital to deliver vaccines to those who need them. Gavi's HSIS support is essential in helping countries to build strong, equitable, sustainable and high-quality systems and to strengthen the management of their programmes and vaccines. It is also a key lever in helping countries reach zero-dose children and underserved communities.

- 5.2 The purpose of the HSIS policy (Annex B) is to set out the principles, general requirements and procedures for Gavi's HSIS funding to countries. The policy scope includes Gavi's Health System Strengthening (HSS) grants, Gavi's grants to strengthen countries' cold chain capacity through the Cold Chain Equipment Optimisation Platform (CCEOP), and time-bound vaccine implementation support³.

- 5.3 An initial set of shifts aimed at addressing challenges identified during the review of Gavi's HSIS support were approved by the Board in December 2019. In June 2020, the Board agreed to implement these shifts in the absence of a fully approved HSIS Policy, which are now reflected in the new Policy:

- Implement a new allocation formula with a stronger focus on equity to calculate grant ceilings.
- Remove the cap of US\$ 100 million over five years applied to total country HSS ceilings but retaining the floor of US\$ 3 million.
- Integrate support for CCEOP into HSS support: As communicated to the PPC in May 2022 and to the Board in June 2022, CCEOP was not fully integrated into the HSS window given the continuation of country joint investment for CCEOP in the Gavi 5.0 strategy period. However, both funding streams are integrated through a single application process and CCEOP is incorporated into Full Portfolio Planning as part of the integrated application kit.

³ Gavi supports countries to introduce and scale up vaccines through a time-bound financial support for new introductions of vaccines into the national immunisation schedule with Vaccine Introduction Grants (VIGs), and to conduct campaigns and supplementary immunisation activities (SIAs) with Operational Cost grants (Ops). Gavi also provides grants intended to facilitate the safe and effective transition to a different product, presentation, use, or dose schedule, so called Switch Grants (SGs) and in response to outbreaks.

- Discontinue the mechanism of awarding Performance Payments: employ an approach focused on setting the right incentives on a country- by-country basis.
- 5.4 In accordance with the Review’s objective to align the funding policies to the aims of Gavi’s 5.0, the HSIS Policy explicitly considers fragility and a focus on zero-dose and under-served communities in its principles for vaccine implementation support.
- 5.5 The HSIS policy replaces the former HSIS Framework, which operated in a similar manner as a Gavi policy but contained a much greater level of detail. Operational details have been removed from the updated policy to ensure consistency with other Board-approved policies, and can be found in the Programme Funding Guidelines, the Vaccine Funding Guidelines and the Budget Eligibility Guide.

Section C: Actions requested of the Board

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

Approve the Health Systems and Immunisation Strengthening Policy attached as Annex B to Doc 11a.

Annexes

Annex A: Framework for Gavi Funding to Countries and Theory of Change and Monitoring and Evaluation Framework

Annex B: Health Systems and Immunisation Strengthening Policy

Additional information available on BoardEffect:

Appendix 1 (in May 2022 PPC meeting book): Appendix 1 to Doc 06 *Background on the Funding Policy Review*

Additional reference materials online:

Current HSIS Framework: <https://www.gavi.org/sites/default/files/document/gavi-health-system-and-immunisation-strengthening-support-frameworkpdf.pdf>