



# **GAVI country eligibility policy and graduation procedures**

***Presented by:  
Gian Gandhi***

*GAVI Board Meeting*

*Hanoi, 17-18 November 2009*

# Oversight

- Overseen by GAVI Policy & Programme Committee (PPC)
- Steered by time-limited PPC-appointed task team
  - Task team met five times during course of project
  - Comprised World Bank, WHO, donors, independent experts and individuals from developing countries
- PPC consulted throughout the process:
  - To finalise terms of reference for study and task team
  - To advise on strategic objectives that could drive future eligibility
  - To select among task team options and recommendations for Board endorsement

# FOR DECISION: Eligibility policy

The PPC requests that the GAVI Alliance Board:

- **Decide whether the new GNI per capita threshold should be \$1,500 or \$2,000, with annual adjustments for inflation**
- **Adopt the attached GAVI Alliance Eligibility Policy** with the chosen threshold (see Annex 1)

In support of the policy, the PPC also recommends for endorsement:

- **that GAVI explore strategies to provide enhanced technical and/or financial support to countries with low DTP3 coverage**
- **subject to funding availability, a new budget cap be considered for India for the period 2012-2015 and then revisited thereafter.**

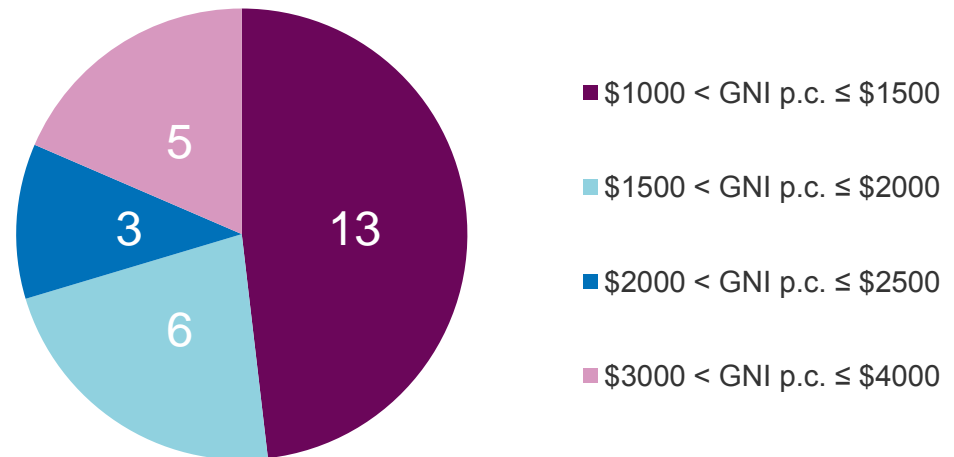
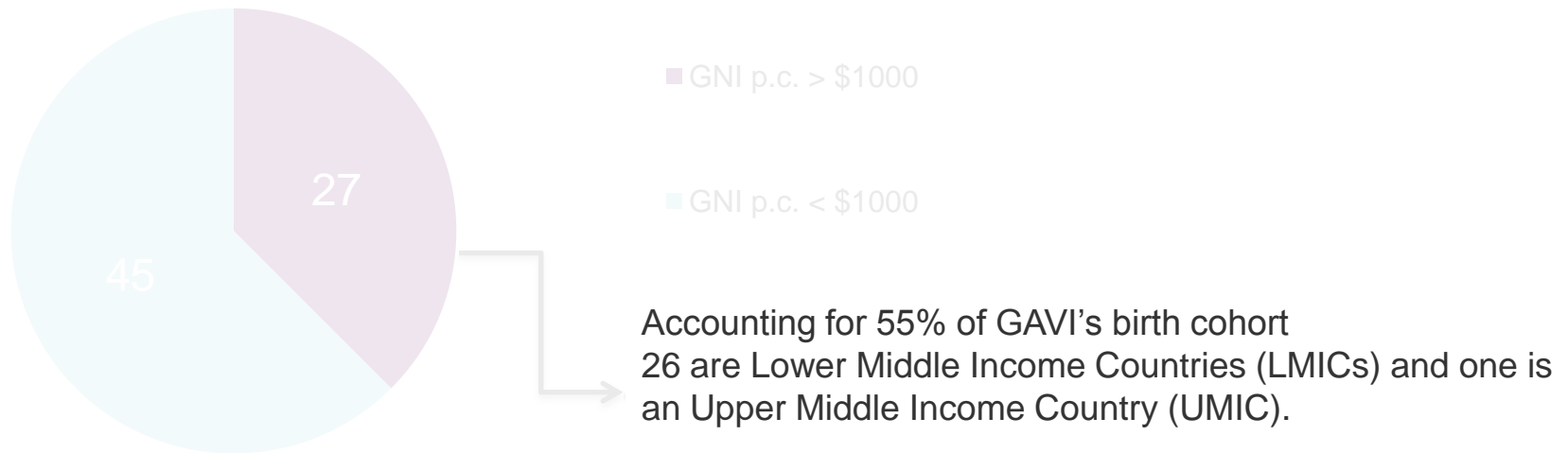
# Background and rationale

- Eligibility defined by GNI per capita  $\leq$  \$1,000;
- GNI per capita data for 2003 'frozen' as standard
- Issues with current policy:
  - Increasing income disparities between countries
  - Need for clear, supportive graduation policies
  - Need for explicit process for updates
- Board requested the eligibility policy be reviewed and revised in 2009



**a. GAVI country eligibility policy**

# Current income distribution among 72 GAVI-eligible countries (2008 GNI p.c.)



**Source:**  
 World Bank, 2008 Gross National Income per capita  
 (GNI p.c.) published July 2009  
 LMICs: \$975 < GNI p.c. < \$3855  
 UMICs: \$3,856 < GNI p.c. < \$11,905

# Approach: Eligibility, (NVS) Programme Filters, and Graduation Policies

## Broad Eligibility Criteria for any kind of GAVI support

### OBJECTIVES:

Identify countries in need

System based upon simple, clear and regularly updated criteria and data



## Programme-specific 'Filters'

### OBJECTIVES (NVS):

Ensure minimum standard and sufficient capacity for introduction of new vaccines

Encourage high coverage with existing vaccines

Maximise value for money

Process for **Updates**  
**Graduation** procedures

# Strategic objective to drive eligibility

- Poorest people versus Poorest countries
- Poorest countries
  - Least able to pay
  - Majority of world's population living in poverty
  - Poorer countries → higher burdens of diseases
  - Reduce mortality and contribute to MDG4
- Poorest people
  - Federal government's role to offset inequities within countries
  - Practical issues: (1) Insufficient data coverage of poverty indicators; (2) No consistent data to define subnational eligibility



# Potential indicators to define eligibility

- Indicators /indices reviewed:

GNI per capita (Atlas method) as eligibility indicator and adjust annually for inflation

- Necessary characteristics:
  - Aligned with GAVI's strategic objectives
  - Robust in its measurement and comparable across countries
  - Regularly updated, widely available
  - Transparent, understandable

# Threshold of overall eligibility

Scenario definition	Number of countries, 2011	Total Birth Cohort, 2011*	% of world's unimmunised children†	Population living on <\$1.25/day‡, (% of global total)
<b>Board decision: Decide whether the new GNI per capita threshold for 2011 should be \$1,500 or \$2,000</b>				
<b>OPTION 1:</b> <b>GNI p.c. ≤ \$1,500</b> in 2011 and then adjusted for inflation each year	58	74.4m	81%	1.03 bn, (77%)
<b>OPTION 2:</b> <b>GNI p.c. ≤ \$2,000</b> in 2011 and then adjusted for inflation each year	65	79.4m	82%	1.06 bn (79%)

\* UNPD 2008

† WHO 2008

‡ World Bank Development Indicators, 2008

# New GNI per capita threshold for 2011: Choosing between the \$1,500 and \$2,000

Threshold	Reasons to choose given threshold
<b>\$1,500</b>	Maintains value of current threshold
	Is \$0.22bn less expensive than \$2,000 scenario (and \$0.38bn less costly than status quo) for the period 2011-2015. Important in current environment
	Other things being equal, more resources available per eligible country
<b>\$2,000</b>	Roughly maintains size of current birth cohort
	7 more countries than \$1,500 scenario (i.e. 65 eligible countries vs. 58 countries)
	Additional 1% of world's unimmunised children and 2% of the world's population living in poverty as compared with \$1,500 scenario
	Likely to avert 220,000 more future deaths and 6m more cases of infection compared with \$1,500 scenario
	Larger number of expensive yet very cost-effective vaccines for countries to adopt than in 2001 ⇒ Need to be wealthier to afford larger portfolio ⇒ Need for a higher threshold
	GAVI may have greater propensity to raise resources
	More scope and ability to help poor countries
	Is still \$0.16bn less expensive than status quo for the period 2011-2015; although with prioritisation mechanism, need not view eligibility as a means to 'cut costs'

# Programme Specific Filters (NVS)

- Raise stringency of NVS filter to DTP3  $\geq 70\%$  coverage (WHO/UNICEF estimates)
- Exempt Japanese Encephalitis, Meningitis A, and Yellow Fever vaccines because these address epidemics
- If instituted, GAVI should explore strategies to provide enhanced technical and/or financial support to countries with low DTP3 coverage

\*Yellow Fever subsequently exempted

# Budget caps

- Budget caps originally placed on China, India, and Indonesia
- Currently, a budgetary cap only for India, set at \$350 million for 2006-2011
- Subject to funding availability, a new budget cap be considered for India for the period 2012-2015 and then revisited thereafter.

# FOR DECISION: Eligibility

The PPC requests that the GAVI Alliance Board:

- **Decide whether the new GNI per capita threshold should be \$1,500 or \$2,000, with annual adjustments for inflation**
- **Adopt the attached GAVI Alliance Eligibility Policy** with the chosen threshold (see Annex 1)

In support of the policy, the PPC also recommends for endorsement:

- **that GAVI explore strategies to provide enhanced technical and/or financial support to countries with low DTP3 coverage**
- **subject to funding availability, a new budget cap be considered for India for the period 2012-2015 and then revisited thereafter.**



## **b. Graduation procedures**

# Frequency of projected graduation given potential annual updates to eligibility

Eligibility scenario	Projected number of countries graduating in 2011
\$1,500 scenario	14 graduates
\$2,000 scenario	10 graduates

- In all scenarios, after the initial adjustment in 2011, **~1 countries are expected to graduate** each year



# Experience of previous graduating countries: Lessons learned

- Clear communications are needed for graduating countries, spelling out what graduation entails
- Clear guidelines needed on country applications after a country crosses the eligibility threshold
- **Countries that graduate face a double edged sword :**
  - 1. Loss of financial support**
  - 2. Loss of access to lowest (GAVI) prices**

# Graduation procedures components

## Recommendations

- Clear communications
  - Predictability with existing commitments
  - No grace period but ability to finalise conditional IRC recommended proposals
  - Re-entry if necessary
- Existing vaccine support commitments run through 2015
  - Opportunity to explore policy options for graduated countries to address the need for affordable prices and means to achieve sustainability.

# FOR DECISION: Graduation procedures

The PPC requests that the Board approve the following procedures for graduation:

- When a country's per capita income exceeds the eligibility threshold, **GAVI would inform the country that it has entered the graduation process** and spell out in detail what this entails
- Subject to funding availability, **GAVI will honour all existing multi-year commitments to countries in the graduation process** for the duration of current multi-year plans, and at a minimum up to 2015 for NVS
- **Countries that enter the graduation process will not be able to submit new applications or resubmit previously rejected applications for any of GAVI's funding windows**
- **Countries that enter the graduation process** will have one year to finalise applications that received conditional recommendation from the IRC prior to the country graduating
- If subsequent to graduation **a country's GNI per capita falls below the eligibility threshold, the country would regain its GAVI eligible status**

The PPC also recommends for endorsement that GAVI explore:

- **Facilitation of access to predictable and affordable prices for graduating countries** after GAVI support ends
- **Subject to funding availability, provision of a short additional period of flexible financial support for graduating countries** after GAVI support ends to ease the transition to country self-financing.

# Thank you



Photo credits: ...

GAVI Board Meeting  
Hanoi, 17-18 November 2009





[www.gavialliance.org](http://www.gavialliance.org)

*Policy & Programme Committee  
01-02 October 2009*

# — BACK UP SLIDES

# Project objectives

1. **Metrics and threshold** to define basic eligibility;
2. **Programme filters** to determine which GAVI-eligible countries can apply for vaccine support;
3. **Process for future updates**;
4. **Procedures to guide graduation**;

# Summary of eligibility policy recommendations:

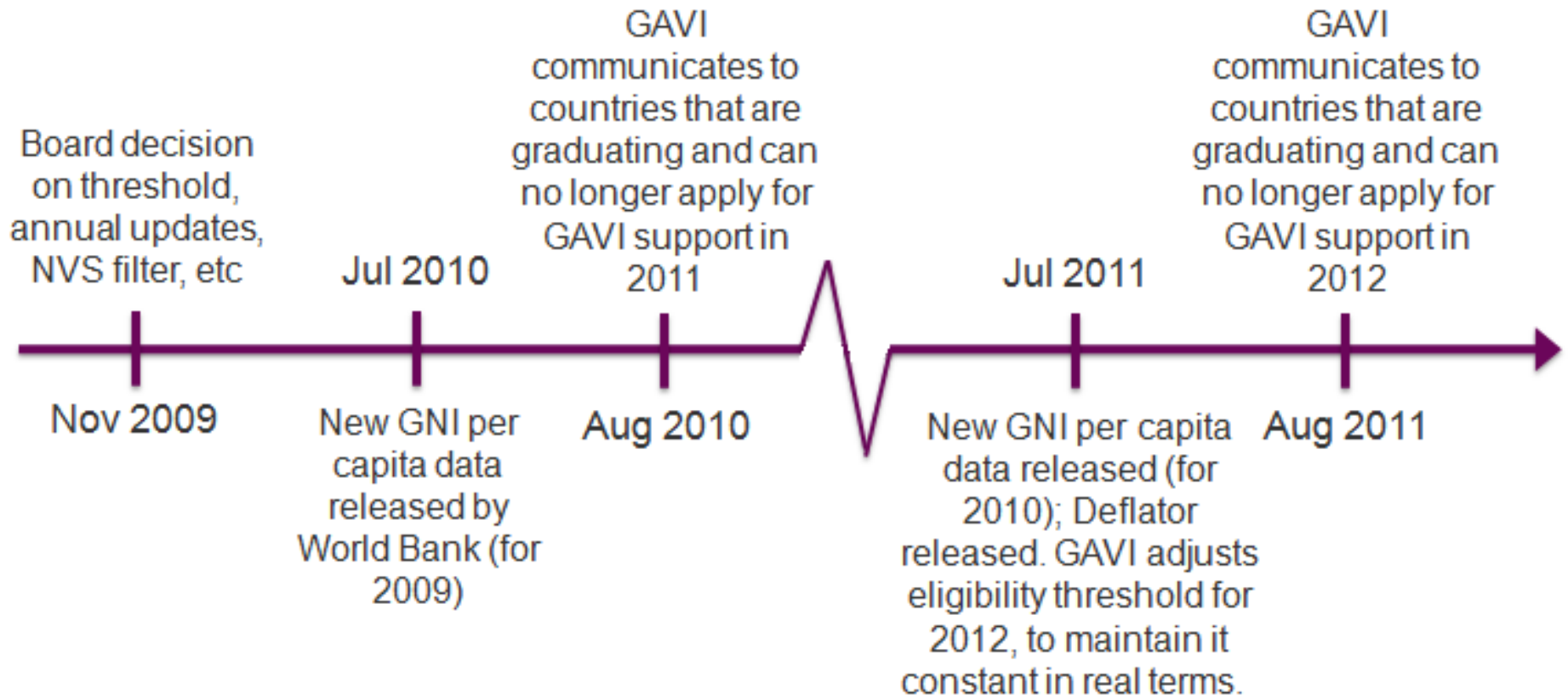
- **Indicator:** Metric, data source
  - Use GNI per capita data (Atlas method, World Bank)
- **Threshold:** To define eligibility
  - Select \$1,500 or \$2,000 option; annually adjusted for inflation
- **Future updates:** Frequency and timing
  - Selected threshold introduced in 2011 and adjusted for inflation annually
- **Filters:** NVS filter level, data source
  - DTP3  $\geq 70\%$  coverage (WHO/UNICEF estimates); Exclude JE, Men A and YF
- **Budget cap:** Country focus, size
  - Subject to available resources, revised budget cap for India for 2012-2015.
- **Sub-national support:**
  - No sub-national eligibility because not consistent with fiscal federalism



# Summary of graduation procedure recommendations

- **Recommendation: Communications**
  - Countries informed that it has started the graduation process and what that entails
- **Recommendation: Predictability**
  - Honor all existing multi-year commitments and extend NVS to 2015
- **Recommendation: No grace period**
  - No new applications for graduated countries; 1 year to finalize conditional approvals
- **Further work: Access to affordable prices**
  - Explore access to predictable and affordable prices after GAVI support ends
- **Further work: Means of attaining sustainability**
  - Explore feasibility and need for support to assist transition from GAVI support to self-financing.

# Timeline: Eligibility and graduation implementation



# Task team members

Name	Position and affiliation
Chris Atim	Health Economist, PATH Chair of African Health Economics Association
Rudi Eggers	Senior Policy Advisor, WHO-IVB; Team Leader, WHO-NUVI
Gian Gandhi	Senior Policy Programme Manager, GAVI Secretariat; Project Manager for eligibility policy revision
Rama Lakshminarayanan	Senior Public Health Specialist, World Bank; Chair of Eligibility Task Team, and PPC member
Ranjana Kummar	Programme Officer, SE Asia Country Cluster, Programme Delivery GAVI Secretariat
Ruth Levine	Vice President and Senior Fellow, Center for Global Development
Susan McKinney	Senior Technical Advisor for Immunization, USAID; GAVI PPC member
Peter Ndumbe	Dean, Faculty of Health Sciences, University of Buea; Co-Chair of GAVI IRC
Bjørn Wold	Head, Development Cooperation Division, Statistics Norway
<b>Task team alternates</b>	
Miloud Kaddar	Group leader, Financing, Planning and Procurement, WHO-IVR
Steve Landry	Senior Health Advisor, Bill & Melinda Gates Foundation; GAVI Board Alternate
Mrs Gunvor Iversen Moyo	Senior Statistical Advisor, Statistics Norway
Chutima Suraratdecha	Senior Health Policy & Economics Officer, PATH

# Activities/Methods: Stakeholder Consultations

## Stakeholder workshops

- Global Immunisation meeting (GIM), Feb 09
- Regional committee meetings, Aug-Oct 09

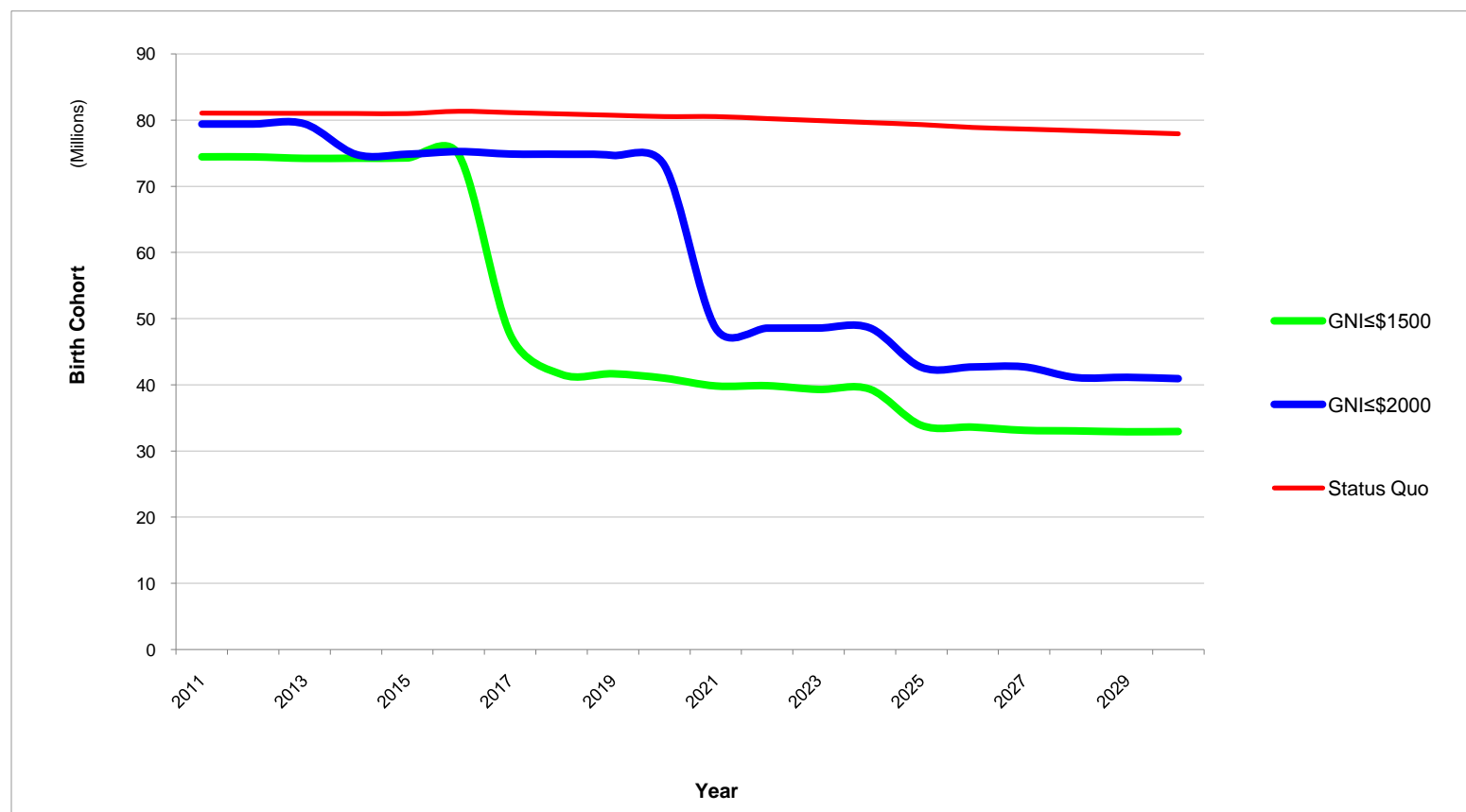
## Individual consultations

- GAVI donors
- Multinational and emerging WHO-prequalified vaccine manufacturers
- Government officials and/or partner staff (inc PAHO) in developing countries
- CSOs

# Case Studies: Six Countries

- Albania: GAVI Phase I graduate, selected so we can learn how graduation has worked in practice; EURO region.
- Angola: GAVI-eligible, LMIC from AFRO with high U5MR – at risk of graduation because of income growth from oil/mineral exports.
- Guatemala: GAVI-ineligible, LMIC from LAC region with challenges in adopting new vaccines. Procuring vaccines through the PAHO Revolving Fund.
- Indonesia: GAVI-eligible country with large birth cohort and large number of unimmunized children. At risk of graduation.
- Morocco: GAVI-ineligible, LMIC from EMRO; currently procuring vaccines through UNICEF out of its own budget; strong political commitment to immunization.
- The Philippines: GAVI-ineligible, lower-middle income country (LMIC) from SEARO with large immunization challenges and a large birth cohort.

# Birth Cohorts over time



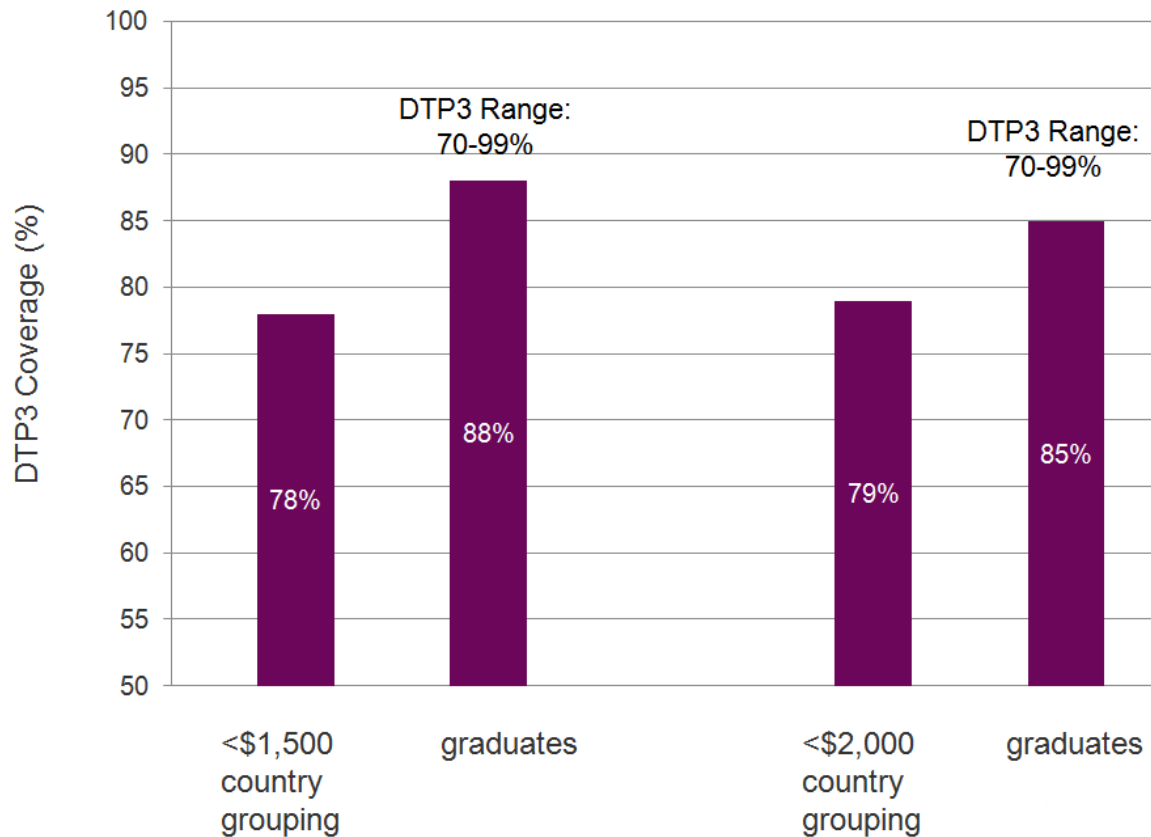
# Financial Implications\* and Impact

Scenario definition	Cumulative NVS costs 2011-2015	Cumulative NVS costs 2011-2020	Deaths averted, 2011-2015	Cases averted, 2011-2015
<b>Status Quo:</b> Current list of countries maintained (GNI p.c. ≤\$1000 from FY03 data)	\$4.79bn	\$10.11bn	4.99m	24m
<b>GNI p.c. ≤ \$1,500:</b> Adjusted nominally each year	\$4.41bn	\$8.70bn	4.79m	22m
<b>GNI p.c. ≤ \$2,000:</b> Adjusted nominally each year	\$4.63bn	\$9.11bn	5.01m	28m

- Costs were projected out for 10 years into the future – Beyond this time, uncertainties are much greater:
  - GAVI’s vaccine portfolio (malaria, dengue, other infectious disease vaccines)?
  - Vaccine supply landscape and pricing (level of competition, WAPs)?
  - Remaining eligible countries, their demand, and their ability to co-finance?  
(Project 20-25 countries could graduate by 2020 depending on threshold selected)

\*NB: India not included in cumulative cost projections due to budget cap

# Average DTP3 coverage of projected graduates >70%





## Currently GAVI-eligible countries with 2008 WHO/UNICEF DTP3 coverage <70%

Country	DTP3	Country	DTP3
Chad	20	Liberia	64
Somalia	31	Uganda	64
Papua New Guinea	52	Guinea	66
Haiti	53	India	66
Central African Republic	54	Niger	66
Nigeria	54	Benin	67
Sierra Leone	60	Mali	68
Lao PDR	61	Congo, Dem. Rep.	69
Zimbabwe	62	Yemen, Rep.	69
Guinea-Bissau	63		

# High-risk JE, Mening A, YF GAVI-eligible countries that would otherwise be screened out by NVS filter if not exempted

Disease	Japanese encephalitis			Meningococcal meningitis			Yellow Fever		
High-Risk GAVI-eligible countries	14			22			27		
DTP3 levels	60%	65%	70%	60%	65%	70%	60%	65%	70%
High Risk Countries Excluded Under Alternative NVS Window Filters	P.N.G.	Lao PDR	Lao PDR	C.A.R.	C.A.R.	Benin	Somalia	Somalia	Somalia
		P.N.G.	P.N.G.	Chad	Chad	C.A.R.		Uganda	Uganda
				Nigeria	Guinea-Bissau	Chad			
					Liberia	Congo, D.R.			
					Nigeria	Guinea			
					Uganda	Guinea-Bissau			
						Liberia			
						Mali			
						Niger			
						Nigeria			
						Uganda			
							Note: if countries already implementing YF with GAVI support, assumption made that they are "grandfathered in" and DTP3 window filter doesn't apply to reapplications		
High-risk countries that would be excluded at DTP3 threshold of 70%			2			11			2

# Risks

- If eligibility policy is left unchanged, disparities will increase
- Annual updates could be seen to make demand less predictable
  - Risk can be managed with UNICEF Supply Division

# Opportunities

- Address current disparities and avoid future disparities
- Create a policy with clear process for updates
- Focus future GAVI efforts on poorest countries
- Set the stage for revision of co-financing policies
  - If in future, countries graduate in a predictable manner as incomes grow above rate of inflation, co-financing policies can be designed such that graduates are closer to, if not already in financially sustainable position

# Recommendations: Graduation policies

- **Recommendation: Communications**
  - Countries informed that it has started the graduation process and what that entails
- **Recommendation: Predictability**
  - Honor all existing multi-year commitments and extend NVS to 2015
- **Recommendation: No grace period**
  - No new applications for graduated countries; 1 year to finalize conditional approvals
- **Recommendation: Access to affordable prices**
  - Explore access to predictable and affordable prices after GAVI support ends
- **Recommendation: Financial support**
  - To transition from GAVI support to self-financing.

# Next Steps: For Eligibility & Graduation

If the Board endorses some or all of the proposed policy options and procedures...

## **December 2009 – June 2010**

- Implementation planning for new policies
- Create operational manual for GAVI countries

## **December 2009 onwards**

- Draw upon other studies undertaken by Secretariat and Bill & Melinda Gates Foundation to define approach to provide graduates with access to affordable prices