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 ≤ $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.)

Accounting for 55% of GAVI’s birth cohort 26 are Lower Middle Income Countries (LMICs) and one is an Upper Middle Income Country (UMIC).

Source:
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
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**

<table>
<thead>
<tr>
<th>Scenario definition</th>
<th>Number of countries, 2011</th>
<th>Total Birth Cohort, 2011*</th>
<th>% of world’s unimmunised children†</th>
<th>Population living on &lt;$1.25/day§, (% of global total)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPTION 1:</strong> GNI p.c. ≤ $1,500 in 2011 and then adjusted for inflation each year</td>
<td>58</td>
<td>74.4m</td>
<td>81%</td>
<td>1.03 bn, (77%)</td>
</tr>
<tr>
<td><strong>OPTION 2:</strong> GNI p.c. ≤ $2,000 in 2011 and then adjusted for inflation each year</td>
<td>65</td>
<td>79.4m</td>
<td>82%</td>
<td>1.06 bn (79%)</td>
</tr>
</tbody>
</table>

* UNPD 2008  
† WHO 2008  
§ World Bank Development Indicators, 2008  

**Board decision:** Decide whether the new GNI per capita threshold for 2011 should be $1,500 or $2,000
### New GNI per capita threshold for 2011: Choosing between the $1,500 and $2,000

<table>
<thead>
<tr>
<th>Threshold</th>
<th>Reasons to choose given threshold</th>
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<tbody>
<tr>
<td>$1,500</td>
<td>Maintains value of current threshold</td>
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<tr>
<td></td>
<td>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</td>
</tr>
<tr>
<td></td>
<td>Other things being equal, more resources available per eligible country</td>
</tr>
<tr>
<td>$2,000</td>
<td>Roughly maintains size of current birth cohort</td>
</tr>
<tr>
<td></td>
<td>7 more countries than $1,500 scenario (i.e. 65 eligible countries vs. 58 countries)</td>
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<tr>
<td></td>
<td>Additional 1% of world’s unimmunised children and 2% of the world’s population living in poverty as compared with $1,500 scenario</td>
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<tr>
<td></td>
<td>Likely to avert 220,000 more future deaths and 6m more cases of infection compared with $1,500 scenario</td>
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<tr>
<td></td>
<td>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</td>
</tr>
<tr>
<td></td>
<td>GAVI may have greater propensity to raise resources</td>
</tr>
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<td></td>
<td>More scope and ability to help poor countries</td>
</tr>
<tr>
<td></td>
<td>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’</td>
</tr>
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</table>
Programme Specific Filters (NVS)

- Raise stringency of NVS filter to DTP3 ≥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

<table>
<thead>
<tr>
<th>Eligibility scenario</th>
<th>Projected number of countries graduating in 2011</th>
</tr>
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<tbody>
<tr>
<td>$1,500 scenario</td>
<td>14 graduates</td>
</tr>
<tr>
<td>$2,000 scenario</td>
<td>10 graduates</td>
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</table>

- 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: …
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 ≥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

- Board decision on threshold, annual updates, NVS filter, etc
  - Nov 2009

- New GNI per capita data released by World Bank (for 2009)
  - Jul 2010

- GAVI communicates to countries that are graduating and can no longer apply for GAVI support in 2011
  - Aug 2010

- New GNI per capita data released (for 2010); Deflator released. GAVI adjusts eligibility threshold for 2012, to maintain it constant in real terms.
  - Jul 2011

- GAVI communicates to countries that are graduating and can no longer apply for GAVI support in 2012
  - Aug 2011
# Task team members

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and affiliation</th>
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<tbody>
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<td>Health Economist, PATH&lt;br&gt;Chair of African Health Economics Association</td>
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<td>Vice President and Senior Fellow,&lt;br&gt;Center for Global Development</td>
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<td>Dean, Faculty of Health Sciences, University of Buea;&lt;br&gt;Co-Chair of GAVI IRC</td>
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<td>Head, Development Cooperation Division,&lt;br&gt;Statistics Norway</td>
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<tr>
<td><strong>Task team alternates</strong></td>
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<td>Group leader, Financing, Planning and Procurement,&lt;br&gt;WHO-IVR</td>
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<tr>
<td>Steve Landry</td>
<td>Senior Health Advisor, Bill &amp; Melinda Gates Foundation;&lt;br&gt;GAVI Board Alternate</td>
</tr>
<tr>
<td>Mrs Gunvor Iversen Moyo</td>
<td>Senior Statistical Advisor,&lt;br&gt;Statistics Norway</td>
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<tr>
<td>Chutima Suraratdecha</td>
<td>Senior Health Policy &amp; Economics Officer,&lt;br&gt;PATH</td>
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</table>
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

![Birth Cohort Chart]

- **GNI≤$1500**
- **GNI≤$2000**
- **Status Quo**

**Year**
- 2011
- 2013
- 2016
- 2017
- 2019
- 2021
- 2023
- 2005
- 2007
- 2009

**Birth Cohort (Millions)**
- 0
- 10
- 20
- 30
- 40
- 50
- 60
- 70
- 80
- 90
## Financial Implications* and Impact

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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Status Quo:</strong> Current list of countries maintained</td>
<td>$4.79bn</td>
<td>$10.11bn</td>
<td>4.99m</td>
<td>24m</td>
</tr>
<tr>
<td>(GNI p.c. ≤$1000 from FY03 data)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GNI p.c. ≤ $1,500:</strong> Adjusted nominally each year</td>
<td>$4.41bn</td>
<td>$8.70bn</td>
<td>4.79m</td>
<td>22m</td>
</tr>
<tr>
<td><strong>GNI p.c. ≤ $2,000:</strong> Adjusted nominally each year</td>
<td>$4.63bn</td>
<td>$9.11bn</td>
<td>5.01m</td>
<td>28m</td>
</tr>
</tbody>
</table>

- 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%

<table>
<thead>
<tr>
<th>Country</th>
<th>DTP3</th>
<th>Country</th>
<th>DTP3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chad</td>
<td>20</td>
<td>Liberia</td>
<td>64</td>
</tr>
<tr>
<td>Somalia</td>
<td>31</td>
<td>Uganda</td>
<td>64</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>52</td>
<td>Guinea</td>
<td>66</td>
</tr>
<tr>
<td>Haiti</td>
<td>53</td>
<td>India</td>
<td>66</td>
</tr>
<tr>
<td>Central African Republic</td>
<td>54</td>
<td>Niger</td>
<td>66</td>
</tr>
<tr>
<td>Nigeria</td>
<td>54</td>
<td>Benin</td>
<td>67</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>60</td>
<td>Mali</td>
<td>68</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>61</td>
<td>Congo, Dem. Rep.</td>
<td>69</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>62</td>
<td>Yemen, Rep.</td>
<td>69</td>
</tr>
<tr>
<td>Guinea-Bissau</td>
<td>63</td>
<td></td>
<td></td>
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</tbody>
</table>
### High-risk JE, Mening A, YF GAVI-eligible countries that would otherwise be screened out by NVS filter if not exempted

<table>
<thead>
<tr>
<th>Disease</th>
<th>Japanese encephalitis</th>
<th>Meningococcal meningitis</th>
<th>Yellow Fever</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-Risk GAVI-eligible countries</td>
<td>14</td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td>DTP3 levels</td>
<td>60% 65% 70%</td>
<td>60% 65% 70%</td>
<td>60% 65% 70%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High-risk countries that would be excluded at DTP3 threshold of 70%</td>
<td>2</td>
<td>11</td>
<td>2</td>
</tr>
</tbody>
</table>

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.
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