

FOR INFORMATION

GAVI eligibility policy update

Background

Since GAVI's inception, eligibility has been defined by one criterion: Gross National Income (GNI) per capita \leq \$1,000. The last time eligibility was reviewed, in 2004, the GAVI Alliance Board decided to maintain a static list of eligible countries. It made this decision for reasons of simplicity and providing a clear and consistent message to countries to allow them to plan for the future.

However, due to the varying speeds at which countries' economies develop and inflation which has reduced the value of the \$1,000 threshold in real terms, it has become apparent that eligibility policies should be revisited. Some currently eligible countries now have higher incomes than 23 countries which do not qualify for GAVI support. Furthermore, if adjusted for inflation the threshold would now be about \$1,500 in 2009 dollars. Therefore, the GAVI Alliance Board requested that the eligibility policy be reviewed in 2009.

The GAVI Secretariat has undertaken analytical work to help shape a new recommendation for Board consideration. This analysis involved assessing a broad range of eligibility criteria, indicators, and thresholds against GAVI's strategic goals and principles, and solicitation of views from a variety of key stakeholders and constituencies including donors, manufacturers, civil society organisations and technical/multilateral agencies.

This work has been conducted under the oversight of the Programme & Policy Committee (PPC) and steered by a time-limited PPC-appointed task team, the "Eligibility Task Team" (see Annex 1 for terms of reference and membership). The Eligibility Task Team is comprised of technical experts drawn from many of GAVI's constituencies and includes both PPC members and independent experts. It met five times from May to September to discuss the evolving analysis and emerging policy recommendations.

The PPC has been consulted throughout the process: first to finalise the terms of reference for the study team and the Eligibility Task Team and then to refine the scope of the analytical efforts and confirm the strategic objectives that should drive future eligibility policies. Finally, the PPC will discuss the final set of options and recommendations at its meeting on 1 October 2009.

Summary of eligibility policy options and recommendations

At its meeting in June 2009, the PPC decided that the primary driver of eligibility should be GAVI's focus on the poorest countries. The PPC is now considering the following options and recommendations by the eligibility task team:

A. OVERALL ELIGIBILITY

1. Policy elements

FOR INFORMATION

- **GNI per capita - Atlas method should remain the sole indicator** of GAVI eligibility¹
- The chosen eligibility threshold should be **adjusted for inflation annually**
- The **new policies should take effect in 2011**. The list of countries should be updated annually, by comparing the most recent GNI per capita data (released by the World Bank in July of each year) with the inflation-adjusted threshold. The new list would be in effect for the following calendar year.

2. GNI level

The PPC is being asked to select a preferred option among the following:

- (1) \$975 (the current upper limit of the World Bank's low-income country category);
- (2) \$1,500;
- (3) \$2,000.

Given the recommendation to annualise updates, all three options scenarios have the important benefit of refocusing GAVI's efforts on the poorest countries (compared to the status quo policy). The Eligibility Task Team recommends either option (2) or (3) because these two scenarios support a roughly similar birth cohort and projected levels of health impact. All options also have lower projected New Vaccine Support (NVS) costs than the status quo.

	Status Quo	Option (1): \$975	Option (2): \$1,500	Option (3): \$2,000
Number of Countries, 2011	72	42	58	65
Birth Cohort, 2011	81.0m	36.6 m	74.4 m	79.4 m
Cumulative NVS Costs, 2011-2015	\$5.14m	\$4.37m	\$4.71m	\$4.93m
Future deaths averted, 2011-2015	5.2m	4.8m	5.0m	5.2m

3. India

While the birth cohort data above include India, all cost and impact projections exclude India because it has had a budget cap and is likely to have another going forward. Total costs and impact will depend on the budget cap chosen. The eligibility task team recommends:

- a) that a **new budget cap be set for India for 2012-2015**. Support for India should strive to be catalytic and based on policy engagement; and
- b) that the amount of India's cap would be subject to available to available resources, but informed by the size of projected support to other eligible countries over the same time period (i.e. no country should be expected to receive support from GAVI exceeding India's budget cap over the same period of time).

B. PROGRAMME-SPECIFIC 'FILTERS'

¹ The Atlas method smoothes exchange rate fluctuations by using a three year moving average, price-adjusted conversion factor.

<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20399244~menuPK:1504474~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>

FOR INFORMATION

This review also examined the appropriateness of programme specific 'filters' for access to specific funding windows. The PPC is considering the following recommendations:

1. **Most recent WHO/UNICEF DTP3 coverage is the best proxy for routine immunisation performance** and should continue to be used as the NVS filter.
 - DTP3 coverage estimates are updated annually. Once updated, the coverage estimates would be in effect as the NVS filter for the following calendar year.
2. The **NVS filter should be raised from DTP3 coverage $\geq 50\%$ to $\geq 70\%$** to create performance standards for accessing NVS and to create incentives for weak performing countries to improve coverage before introducing new vaccines.
 - The increase in the stringency of the filter is conditional on the availability of other windows of support—technical and/or cash-based—to improve immunisation coverage in countries with coverage $< 70\%$.
3. **Japanese Encephalitis, Meningococcal A, and Yellow Fever vaccines should be excluded** from the NVS filter, allowing all high burden countries access to these vaccines even if their DTP3 coverage is below 70%.
 - Immunisation campaigns are an important part of delivery strategies for these vaccines, which target epidemic diseases, making DTP3 coverage a less relevant indicator for predicting successful introduction.
 - Of note, there are divergent opinions regarding the impact of immunisation campaigns on the overall effectiveness of routine immunisation. Further work may be necessary to assess available evidence and determine what filter if any GAVI should apply to these vaccines.

Policies for 'graduation' from eligibility

If the PPC and Board agree to the recommendations, the new eligibility policies will come into effect in 2011 and entail annual updating of country eligibility thereafter. Depending on the eligibility option endorsed, this is likely to result in loss of eligibility by 15-40 countries between 2011 and 2020. Many of these countries projected to "graduate" will do so in 2011 because the policies are being updated after several years. However, graduation rates after 2011 are expected to average about 1 country per year.

Under current eligibility policy, countries do not know if or when they might graduate, as the timing and nature of future updates have not been specified, and economic growth a given. Moreover, when countries do graduate they face both the loss of GAVI support and the prospect of paying much higher prices for some vaccines. To address the challenges of uncertainty, loss of donor support, and higher prices, the PPC is considering the following principles for graduation:

FOR INFORMATION

- When a country's per capita income exceeds the eligibility threshold, GAVI will **clearly communicate** to the country that it is entering the graduation process and will delineate what this will entail.
- **Graduating countries will no longer apply for new support**, but can finalise any applications that have already received 'conditional approval' by GAVI's Independent Review Committee (IRC).
- GAVI will **honour all existing multi-year commitments** to graduating countries. In addition, GAVI's operating policies and communications to countries reflect intent to support currently eligible countries through the duration of current multi-year plans and up to 2015. This has already been factored into GAVI's financial projections.
- GAVI will explore the possibility of **pooled procurement for graduating countries** to increase the likelihood that they have **access to predictable and affordable prices** after GAVI support ends.

The above mentioned proposals are cost neutral for GAVI.

- To further ease the transition to country self-financing, GAVI could provide a **short additional period of financial support** after the expiration of multi-year commitments to graduated countries. Current financial projections based on an assumption of 1.5 years of additional full support (spread flexibly over, for example, 3 years) suggest that this would cost GAVI an additional US\$92 – \$333 million between 2015 and 2020, depending on the eligibility threshold selected.

Because GAVI has implicitly agreed to honour and/or extend existing commitments through 2015, any post-graduation arrangement will not begin until 2016, even for countries that become ineligible in 2011-2014. This gives the Secretariat time to plan implementation of the proposed graduation policies and communicate information to countries.

By making graduation more predictable, honouring existing commitments, providing flexible additional support, and addressing the challenge of affordability, this graduation policy would help to ensure continuity in vaccine demand and supply to sustain the achievements of previously GAVI-funded immunisation programmes.

ANNEX 1

Terms of Reference Eligibility Time Limited Task Team

Policy area: Eligibility Policies

Created by: Policy and Program Committee (PPC)

Assistance Provided: GAVI Secretariat

Reporting to: Programme and Policy Committee (PPC)

Duration: March 2009 – October 2009

Chair: Rama Lakshminarayanan

Terms of reference approved by the PPC on: 16 March 2009²

Description of the Advisory Group

Scope

The GAVI Secretariat will assist the Eligibility Task Team with the selection of the contractor who will conduct much of the analytical work on this project. In addition, the task team will review the project plans, interim and final outputs developed by the contractor/Secretariat and have oversight of the design and implementation of the eligibility review, including:

- the definition of the necessary characteristics of the eligibility criteria
- ensuring policy objectives that drive GAVI eligibility are consistent with board-defined priorities and strategic goals
- specific country case studies that are conducted
- potential eligibility metrics (indicators, data sources)
- a range of eligibility policy options
- process for future eligibility policy updates
- implementation plans

The Eligibility Task Team will have to weigh the external issues (e.g. the impact any change has on meeting MDGs, and the feasibility, validity and acceptability of eligibility revisions) as well as issues pertaining to directly to the GAVI Alliance (e.g. the impact of eligibility policy changes on GAVI's budget and donor support).

Deliverables

1. Review and appraisal of the various proposals developed by potential contractors in response to request for proposals.
2. Minutes documenting discussion and decisions from each task team meeting.³
3. A project summary document and slide set for presentation/discussion with the PPC in October and the GAVI Alliance Board in November.³
4. Implementation plans for GAVI's eligibility policies.³

Reporting lines

² The TOR were amended (denoted by **) by the GAVI Secretariat and approved by the Chair of the Task Team during the course of the study.

³ Will be produced with the help of the contractor and GAVI Secretariat. In addition, the contractor will prepare slide presentations and briefing notes (1-2 pages, sent 1 week prior to meetings) for each of the Eligibility task team meetings.

ANNEX 1

The task team reports directly to GAVI's Programme and Policy Committee (PPC); PPC recommendations will be presented to the GAVI Alliance Board.

Core membership

- 5-7 members in addition to 2 representatives from the GAVI Secretariat to support the work
- The task team will be chaired by a member of GAVI's PPC
- Membership will be largely driven by expertise and experience as opposed to institutional or constituency representation
- Members should include recognized senior experts in the following areas:
 - global health
 - health financing
 - poverty (and/or development economics)
 - health programme/GAVI eligibility
 - an industrial economist (who can help predict how the vaccine industry might behave to changes in eligibility policy)
- In addition, the group should contain:
 - individuals familiar with the GAVI Alliance's programmes, policies and constituencies;
 - donor,
 - independent non-affiliated experts
- Membership should
 - strike a reasonable gender balance
 - include participation from developing countries

Name	Institution	Title
Rama Lakshminarayanan	World Bank	Senior Health Specialist, GAVI Team Leader, Health, Nutrition & Population, Task Team Chair
Susan McKinney	USAID	Senior Technical Advisor for Immunisation
Steve Landry**	Bill & Melinda Gates Foundation	Senior Policy Advisor
Bjørn K G Wold	Statistics Norway	Head, Development Cooperation Division
Gunvor Iversen Moyo**	Statistics Norway	Senior Statistical Advisor
Rudi Eggers	WHO-IVR	Head of Immunization Service Strengthening
Miloud Kaddar**	WHO-IVR	Group Leader
Ruth Levine	Center for Global Development	Vice President for Programs and Operations, and Senior Fellow
Chris Atim	PATH	Health Economist
Chutima Suraratdecha**	PATH	Senior Health Policy and Economics Officer
Peter Ndumbe**	University of Buea, Cameroon	Dean of the Faculty of Health Sciences
Gian Gandhi	GAVI Secretariat	Senior Policy Manager, Eligibility policy revision project manager
Ranjana Kumar	GAVI Secretariat	Country support team

** Steve Landry, Gunvor Iversen Moyo, Miloud Kaddar, and Chutima Suraratdecha served as alternate ETT members. Peter Ndumbe did not serve as an ETT member during the course of the study.

The task team may draw on expertise as needed.

ANNEX 1**Member time-commitment: meetings and teleconferences****

In-person meetings: *Two meetings between April and September*

Teleconferences: *Three anticipated*

Table A2: Task team meeting schedule

Task Team meeting	Timing (TBC)	Purpose	Face-to-face versus Teleconference
1 st	Apr 21	Kick-off meeting: Discuss and agree finalized project plan	T/C
2 nd	June 1	Discuss strategic objective(s) for GAVI eligibility, necessary criteria characteristics, review of other measures	T/C
3 rd	June 25 & 30	Discuss findings from country assessments and drafted policy options	T/C
4 th	Aug 17 & 18	Discuss pricing and financial implications as well as industry and donor consultations	T/C
5 th	Sept 8	Wrap-up meeting	F2F

** Amended to reflect meetings and teleconferences which took place during the course of the study.

The work of the task team is finalized in mid-September when the options paper is finalized and sent to the PPC for consideration at its October meeting.

Administrative and budgetary arrangements for participants

Excluding GAVI Secretariat staff costs, we will offer to cover the costs of travel and per diem expenses for face to face meetings for participants. Costs for certain partners (e.g. World Bank, WHO) are already covered by budgets elsewhere in the work plan. This would mean a total of ~\$30,000 for all face to face task team meetings

Relationship with the GAVI strategy, work-plan and budget

- Strategic Goal: 4 – Increase and assess the added value of GAVI as a public private global health partnership through improved efficiency, increased advocacy and continued innovation
- Work plan objective: 4.4 – Innovative policies and processes developed and implemented
- Milestone: 4.4.0.4 – Review the eligibility criteria for GAVI support and revise policies accordingly