Fiscal Space and GAVI's Co-financing Policy

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What is co-financing?

- Since its inception, GAVI concerned with financial sustainability of vaccines; some voluntary cofinancing of vaccines (country cost-sharing)
- 2008 GAVI introduced co-financing requirement
- 2010 reviewed co-financing requirement
- 2012: new policy to be implemented, based in part on fiscal space analysis reported here
 - Overall objective of co-financing: financial sustainability. But, time frame for graduating from GAVI support will vary. For countries many years away from graduating from GAVI support, intermediate goal of country ownership.





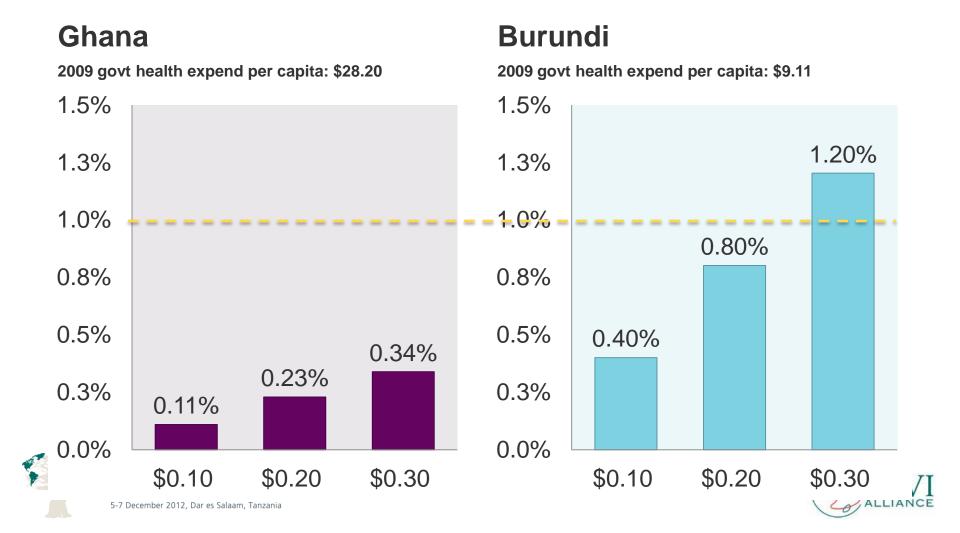
Fiscal Space analysis underpins new co-financing policy

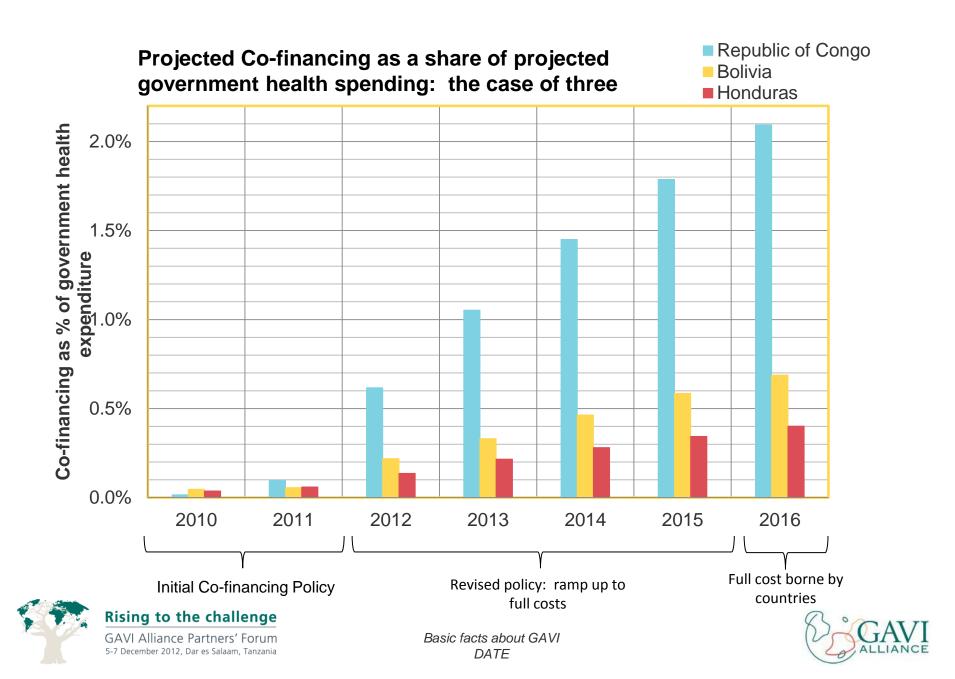
- We projected country by country cost of new vaccine adoptions with GAVI support, growth in government health spending under alternative scenarios to examine the questions:
 - What levels of co-financing could reasonably be required of eligible countries at different income levels?
 - Which countries likely to find it hardest to meet cofinancing obligations?
 - Will graduating countries be able to fully absorb into their health budgets the cost of vaccines by the time GAVI support ends?





Co-financing requirements as % of public spending on health in 2015



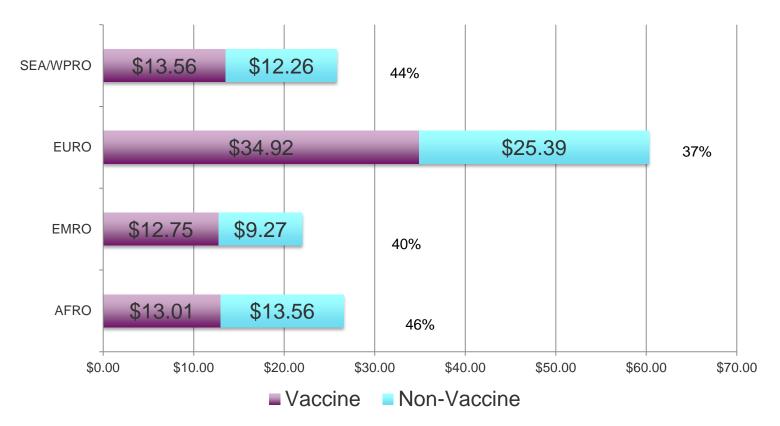


Key findings:

- Low-income countries GAVI will provide the required fiscal space; keep co-financing levels modest, supporting objective of country ownership (20 cents per dose)
- "Intermediate countries": start with modest co-financing levels but increase gradually (20 cents per dose, increasing 15% p.a.)
- Graduating countries: scale up co-financing quickly so that these countries can fully absorb vaccine costs in 2016 when GAVI support ends.
 - Countries with low levels of public spending on health relative to income level will need to make more budgetary space to prepare for end of GAVI support
- Lessons for others? Fiscal space analysis helps determine what financial responsibilities countries at different income levels could reasonably absorb & over what time period donor assistance can be phased out



Non-Vaccine (Delivery) Cost per Infant Varies by Region (%)







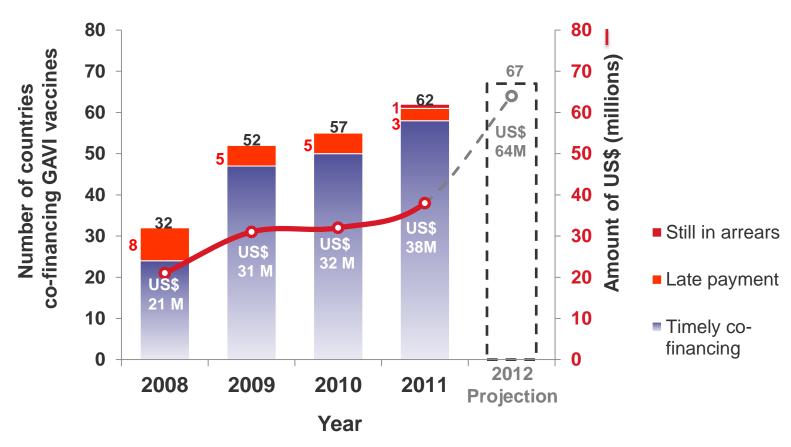
GAVI's approach to graduating

- Gradual phasing-out of support
- Close monitoring of performance
- Access to GAVI prices after graduation
- Continuous update of fiscal space analysis
- Multi-partner visit for in-depth assessment, advocacy and action plan development in priority countries
- Sharing experiences and lessons learned





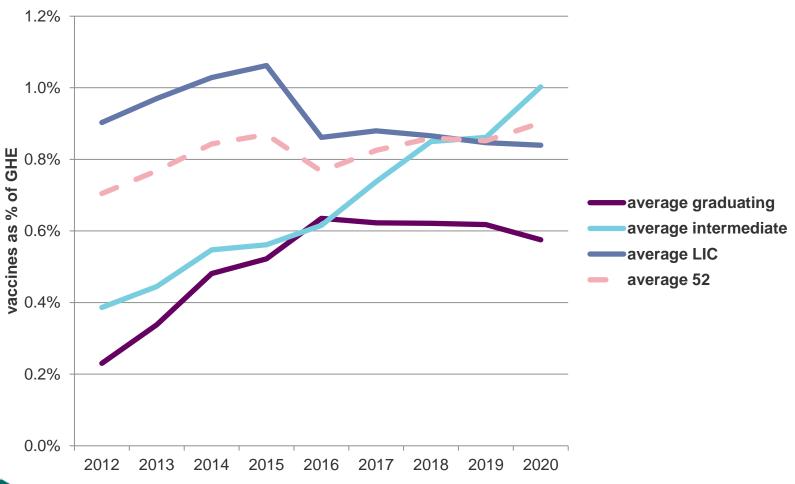
Monitoring of country performance







Updating fiscal analysis - all GAVI countries





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Note: India, Korea DPR, Somalia, South Sudan and Zimbabwe excluded from analysis
5-7 December 2012, Dar es Salaam, Tanzania

Access to GAVI prices after graduation

- PCV under AMC
- GSK rotavirus vaccine
- Pentavalent vaccine from Crucell
- Sanofi and Shantha products
- Discussions are on-going for other manufacturers and vaccines, including HPV





Thank you



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