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**VACCINES AND BIOLOGICALS
ACCESS TO TECHNOLOGIES**

Immunization Finance Sustainability Plans
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MEETING REPORT

1. INTRODUCTION	2
2. COUNTRY PRESENTATIONS.....	3
3. DEFINING FINANCIAL SUSTAINABILITY	4
4. POTENTIAL INDICATORS FOR MEASURING FINANCIAL SUSTAINABILITY	5
5. GUIDELINES FOR FINANCIAL SUSTAINABILITY PLANS	7
6. UTILITY OF TARGETS	8
7. NEXT STEPS	9

1. INTRODUCTION

As part of its on-going commitment to the Global Alliance for Vaccines and Immunization, the World Health Organization's Department of Vaccine and Biologicals hosted and co-sponsored a Workshop on Immunization Finance Sustainability Plans in conjunction with the Bill and Melinda Gates Children's Vaccine Program at PATH and the United States Agency for International Development from 4 – 6 June 2001 in Geneva, Switzerland. The Workshop was designed to draw on the experiences of Bangladesh, Benin, Ukraine and Zimbabwe, countries that have already shown considerable commitment to financial sustainability, to help GAVI partners better define financial sustainability and indicators in the context of ever improving immunization programs. In addition to the country representatives, workshop participants included representatives from the GAVI Financing Task Force (FTF), the FTF Financial Sustainability Group, NGOs, UNICEF, WHO, multilateral and regional development banks and bilateral organizations.

Meeting objectives:

- Define financial sustainability in the context of immunization;
- Identify potential indicators for measuring financial sustainability including a set of core indicators and a range of optional indicators;
- Define guidelines for financial sustainability plans and process for developing and implementing plans. Determine roles of countries, partners and the GAVI Alliance;
- Determine the potential utility of targets (such as for government and partner investment in national immunization programs). If the establishment of targets is determined to be a valuable step, outline a process for establishing targets; and
- Identify priority actions that GAVI partners need to take in the near and long-term to enhance the financial sustainability of national programs, including the provision of technical assistance.

Background

Through GAVI and the Vaccine Fund, countries and development partners have pledged to “stimulate the improvement and expansion of immunization programs to safely immunize more children with all appropriate antigens.”

The Vaccine Fund’s current budget allows for five years of support (although countries may elect to spread this support over a longer-term). Countries receiving support from the Vaccine Fund are expected to provide financial sustainability plans to the GAVI Board two years from the time of disbursement. These plans, which are to be signed off by the Minister of Finance, are expected to detail the long-term financial sustainability of the country’s immunization program when initial time-limited support from the Vaccine Fund support ends.

In June 2000, the GAVI Board charged the FTF to develop guidelines for these financial sustainability plans. In addition to the development of guidelines, the FTF, through its partner representatives, is also responsible for proposing indicators and targets for countries to consider when drafting their financial sustainability plans.

As part of the continuing support and commitment to GAVI, WHO, CVP at PATH, and USAID jointly sponsored a meeting on financial sustainability with four countries - Bangladesh, Benin, Ukraine, and Zimbabwe - that have demonstrated their commitment to on-going financial sustainability of their immunization programs.

2. COUNTRY PRESENTATIONS

The four participating countries— Bangladesh, Benin, Ukraine, and Zimbabwe — presented their experiences on financial sustainability from their particular country perspectives. Among the common themes to emerge from the country presentations were the importance of:

- High level political commitment that is strengthened when complemented by positive, demonstrable results.
- An immunization budget line item supported by enacting legislation authorizing a minimum budget allotment.
- A solid, justified immunization plan linking current and future needs, cost-effectiveness, and immunization outcomes to gain both Ministry of Finance and Ministry of Health support.
- Long-term external funds to complement national financing.

3. DEFINING FINANCIAL SUSTAINABILITY

Traditionally, financial sustainability has been synonymous with ‘self-sufficiency’, often applied to situations where external donors sought to induce developing country governments to mobilize domestic resources for activities that had previously been externally funded. For immunization, financial sustainability has often been interpreted to be the ability of a country to pay for its vaccines.

The workshop participants agreed that interpreting financial sustainability as ‘self-sufficiency’ is inconsistent with — and for many countries in direct opposition to — established GAVI milestones of increasing coverage and introducing new vaccines. The ‘new’ emphasis should be to move away from the single-minded attention to phasing-out external funding.

Workshop participants agreed that the definition of financial sustainability should expand to include all costs related to immunization, not just those related to vaccine procurement. Furthermore, the definition should encompass all actions to mobilize and use resources efficiently. While it was generally agreed that both internal and external sources should be referenced, there was no consensus on the role of private sector financing (e.g. private insurance, out of pocket payments, philanthropic institutions).

Workshop participants reached consensus on the following introduction and definition to financial sustainability:

Over time, as economies grow and health systems are developed, it is expected that childhood immunization programs in developing countries will be supported with domestic — primarily public sector — funds to attain high and uniform levels of coverage across the population.

However, self-sufficiency will be out of reach for many countries over the foreseeable future because public budgets are severely constrained, and resources requirements are likely to increase as coverage expands and newer vaccines are added to the immunization schedule. There is widespread agreement that medium term — to long-term commitments of external funding will be needed to fill in the funding gaps — and can be justified on the basis of both a concern for the welfare of children in developing countries, and the global benefits of reducing disease transmission.

Although self-sufficiency is the ultimate goal, in the nearer term sustainable financing is the ability of a country to mobilize and efficiently use domestic and supplementary external resources on a reliable basis to achieve target levels of immunization performance¹

¹ Immunization performance includes current and future goals for access, utilization, quality, safety and equity.

This definition seeks to capture the following elements:

- The fundamental importance of national commitment and funding for immunization with self-sufficiency being the ultimate goal;
- The varying ability of countries to support their respective immunization programs. (In the near-term, some Vaccine Fund-eligible countries may well achieve full financial self-sufficiency of their immunization programs as well as the costs of new vaccines. The majority of countries, however, face severe resource constraints and will require long-term external assistance.)
- The focus on program performance, rather than on inputs;
- Importance of not limiting resource requirements to meet the needs of current programs, but to focus on the increasing requirements necessary to achieve GAVI goals.
- Importance of using resources more efficiently.

4. POTENTIAL INDICATORS FOR MEASURING FINANCIAL SUSTAINABILITY

Recognizing that there are on-going efforts in other sectors to develop immunization program indicators, workshop participants focused on the identification of immunization financing indicators. To facilitate discussion, participants were divided into four smaller country groups. Each group used the list of indicators from the paper *Financial Sustainability of Immunization: Issues and Options*² (Ruth Levine, Magdalene Rösenmoller, and Peyvand Khaleghian) as a template. Additionally, each group was asked to consider two levels of indicators — global and national.

Global indicators were intended to:

- be applicable in various country contexts;
- provide important signals about national and global leadership priorities;
- be a potentially powerful advocacy tool;
- and likely be required in GAVI financial sustainability guidelines.

National indicators were intended to be:

- key performance indicators; and
- optional (ideally, countries would be able to choose from a set of optional indicators or, if desired, propose their own.)

² This paper was intended to clarify the issues in financial sustainability and provide a framework for subsequent discussion and deliberations. The outline and draft of this paper were widely circulated for input. The paper is available in French, English, and Russian on the GAVI website, www.vaccinealliance.org.

The outcomes and priority lists of indicators from the different country working groups were as follows:

	Unit	Group One	Group Two	Group Three	Group Four	No. of Groups
Global Indicators						
Trend/share of domestic funding for vaccines/total funding for vaccines	%	Yes	Yes	Yes	Yes	4
Projected and retrospective financing split (short-term domestic, long-term domestic, short-term external, long-term external) for projected resource requirements, over 5-year period, with commitments from development partners	%, %	Yes	Yes		Yes	3
Has depreciation/investment schedule capital costs (e.g. cold chain)		Yes	Yes			2
Existence of line-item or policy guaranteeing baseline funding or budget				Yes	Yes	2
Trends in waste over time	%, \$		Yes	Yes		2
Does country use international procurement mechanism	Yes/No		Yes	Yes		2
Existence of an ICC involved with planning					Yes	1
Timely, availability of quality vaccine at appropriate price					Yes	1
Relationship of actual expenditures to immunization budget in multi-year plan (expenditures/budget)				Yes		1
District with coverage <80% ; pattern of utilization by income or ethnic group		Yes				1

	Unit	Group One	Group Two	Group Three	Group Four	No. of groups
Share of domestic funding of total recurrent funding or total program funding Immunization			Yes		Yes	2
Line item, law, policy for funding/budget of immunization or vaccines needs			Yes		Yes	2
Trends of vaccine stock-outs, by region	#/time period	Yes		Yes		2
Share of population knowledgeable about benefits and source of immunization services	%	Yes		Yes		2
Timely, availability of quality vaccine at appropriate price					Yes	1
District financial management: not receiving promised budget or unable to absorb funds (depending on problem)	% districts	Yes				1
Community financial receipts compared to recurrent costs exc. salaries and vaccines.			Yes			1
Percent of forecasted vaccine needs met for each antigen (from any funding source)				Yes		1

Over the next few months, these indicators will be refined in a consultative and collaborative process under the GAVI Financing Task Force's Financial Sustainability Group. Following this initial consensus building process, it is anticipated that the proposed indicators will be further considered in conjunction with and in the context of program indicators currently under development by different groups.

5. GUIDELINES FOR FINANCIAL SUSTAINABILITY PLANS

Drawing on country experiences, workshop participants continued in their working groups to develop possible outlines of what should be included in a country's financial sustainability plan. Workshop participants agreed that financial sustainability is not a discrete topic that can be addressed by an independent plan; it is part and parcel of the overall long-term planning process. Financial sustainability must become an integral part of future multi-year plans.

It was further agreed that the plan should take into account the entire immunization program and not be limited to the portions of the program that are supported by contributions of the Vaccine Fund. Ideally, a well-prepared Multi Year Plan should have much of the information required to prepare a solid financial sustainability plan and workshop participants indicated that GAVI should encourage countries to reference relevant portions of their Multi-Year Plan.

Proposed Content of Financial Sustainability Plan :

- Situation analysis :
 - Macro-economic, national health program, legislative context
 - Current performance, costs, financing and financing mechanisms
- Projected resource needs through 1-2 years post-GFCV (according to the objectives in the 5 year plan)
- Implementation plan
- Long term (5-7 year) commitment from Government and partners
- Identification/anticipation of potential problems
- Identification of gaps in financing
- Prioritization of activities & resource needs
- Multiple scenarios for
 - Implementation
 - Corresponding resource needs
 - Financial commitment by government and partners
- Strategies for resource mobilization
 - External
 - Domestic
 - Private
- Cost saving measures, increasing efficiency
- Endorsement by the ICC

Requirements

There was consensus among workshop participants that financial sustainability guidelines should require governments to demonstrate their national commitment to immunization.

In some countries, this may be a plan to establish (if not already in place) a line item in the national budget with enacting legislation authorizing a minimum level of funding. For

countries engaged in health sector reform and Sector Wide Approaches (SWAs) suggestions should be made as to how countries can ensure that immunization programs are protected, likely through program performance requirements.

Additional considerations

During the course of the meeting, participants discussed a number of additional issues that countries should take into account in the development of financial sustainability plans. Among these are the potential use of external financing mechanisms (e.g. development loans) to fund recurrent and capital expenditures; impact of alternative service delivery strategies on immunization accessibility, utilization, quality, and injection safety, and exploration of potential utilization of potential post-polio eradication resources to finance and support routine immunization infrastructure development and programs.

Increasing partner and government commitment to immunization

There needs to be more and continuing consultation among all partner — governments, multilaterals and bilateral donors, international agencies, and NGOs — in developing work plans and overall sustainability plans. It was felt that all partners would benefit from performance and cost effectiveness data for advocacy and decision-making purposes, and that there should be special efforts to establish collaborative relationship between government and donor-partners in the collection and analysis of performance and cost data.

6. UTILITY OF TARGETS

On the final day of the workshop, participants explored the principles and utility of targets for encouraging countries and donors to meet immunization performance goals. Targets were deemed particularly useful for all immunization partners. Countries can use targets to set common goals at national, provincial, and district levels, both to act as added incentives and encourage healthy comparison among performance results. Within the Ministry of Finance, targets may facilitate greater allocation of funds, while within the Ministry of Health, targets may promote greater accountability. Targets may also be used to permit comparisons across countries and development partners.

Ideally, targets would be:

- Realistic and simple
- Achievable
- Measurable
- Interpretable
- Limited in number
- Linked to programmatic targets
- Resistant to political changes

In reality, however, there are trade-offs to targets. On the one hand, targets have a number of positive attributes. They may:

- Help a country/donor attain a specific goal;
- Encourage investment towards attainment of a specified goal;
- Help chart the course of where one is and where one wants to go;
- Promote standardized monitoring;
- Be a key diagnostic tool and identify when things are not going well;
- Help prioritize among many goals;
- Protect an existing base;

- Create common goals; and
- Create advocacy among governments and donors.

But targets also have some drawbacks. Although recognizing that they should meet the aforementioned criteria, targets may:

- Inadvertently divert attention from other priority areas;
- Not be applicable in different country contexts;
- Be difficult to set, with the goal of a high motivational target against a more realistic achievement;
- Lead to country comparisons that can be counter-productive if they engender fear and embarrassment;
- Be only as good as the underlying indicator;
- Be subject to severe distortion due to external factors e.g. withdrawal of donor support;
- Be donor-driven; not country driven.

Participants considered it important to develop targets based on the updated definition of financial sustainability, namely working towards increasing self-sufficiency, mobilizing both domestic and external funds, and using resources more efficiently towards meeting immunization performance targets. In this regard, there was general consensus that targets should be developed through a consultative process and be mutually agreed upon. It was also felt that just as performance targets are necessarily dynamic, so should any potential financial targets. Several possible targets were proposed for subsequent deliberation including that new vaccines will continue to be used after support from Vaccine Fund ceases and some measure of how successful governments are at mobilizing requisite domestic and external funds for immunization.

7. NEXT STEPS

Efforts to date :

Issues paper outline widely circulated : February 2001

First draft of Issues paper circulated : April 2001

Revised draft available : May 2001

WHO workshop June 4-6 2001

Progress presented to GAVI Board : June 21-22

Revised guidelines & draft policies submitted to GAVI Board : Fall 2001

Guidelines circulated to countries : Winter 2001

Support countries to complete plans : from Winter 2001

Definition : The consensus definition has been forwarded to the GAVI Board for interim review.

Indicators : Over the next few months, and through a collaborative process with many of the meeting participants and under the auspices of the FTF, the financing indicators will be reviewed and forwarded to an inter- Task Force group focusing on indicators.

Financial sustainability plans: The GAVI Financing Task Force will begin drafting sustainability guidelines. These draft guidelines will be sent out to the GAVI Regional Working Groups and Workshop participants for comment and input. It is anticipated that draft guidelines will be submitted to the GAVI Board in November 2001. The first round of financial

sustainability plans are due in September 2002. It is anticipated that donors and partner organizations will provide technical support upon request from countries.

Targets : It was agreed that there should be targets for both countries and donors. Furthermore, the targets, expected to be few or one in number, should be mutually agreed upon. It is expected that the development of targets will follow on from the development of agreed upon indicators.