

# Supporting decision-making on programmatic and financial sustainability at different stages of Gavi transition

Case study of Laos, Nigeria, and Kenya



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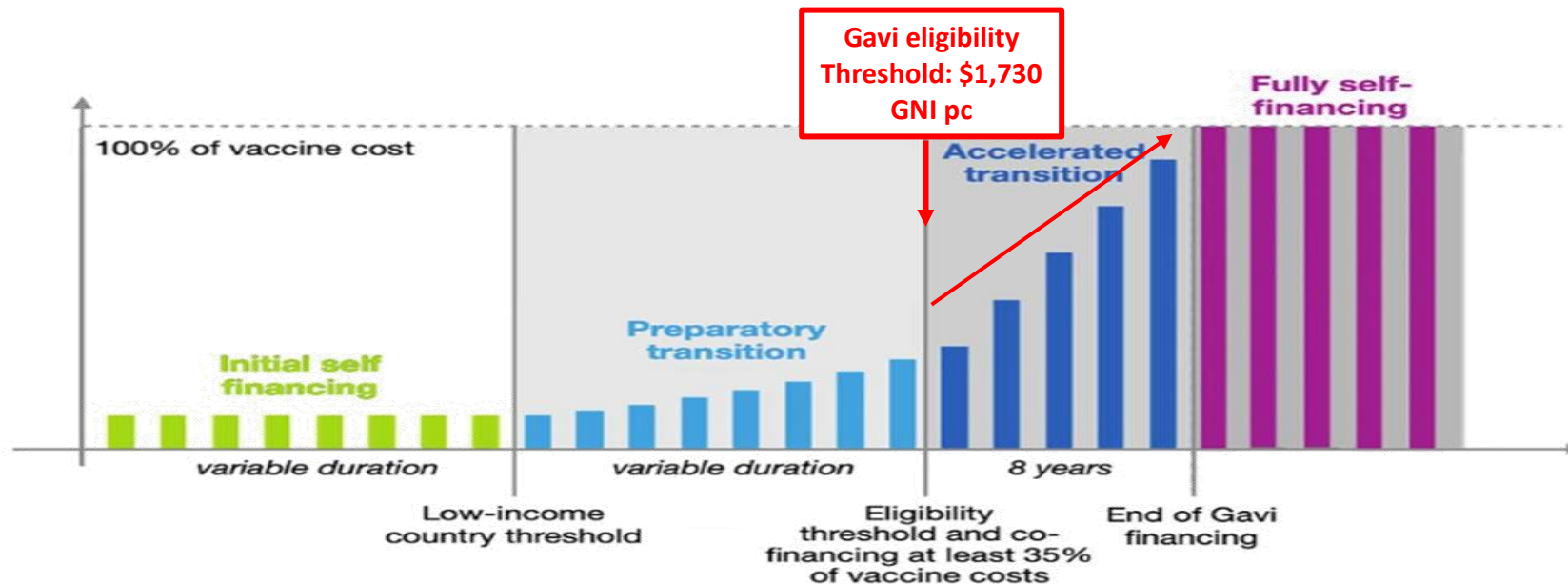
# Countries face serious threats to financial & programmatic sustainability as they transition from Gavi support

*By 2030, 26 out of the current 54 Gavi countries will have transitioned or be in the process of transitioning.*

*These countries will need to navigate four major “shocks” from Gavi transition to sustain high coverage and equity, in addition to potential other donor transitions*

- 1 **Loss of Gavi subsidies for vaccines**, often the largest cost driver of the immunization program
- 2 **Loss of Gavi cash support** for immunization system strengthening and often operational costs
- 3 **Loss of guaranteed access to Gavi vaccine prices** and procurement channels
- 4 **Loss of technical & managerial support; performance mgmt. incentives and support; and political support** from Gavi or Gavi-funded partners

Procurement co-financing increase before and after Transition



<https://www.gavi.org/types-support/sustainability/eligibility>

# Considering the complexities, CHAI focused on learning when and how countries transition and reach sustainability

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- **Key overarching questions have been at the centre of global discussions on transition:**
  - How should sustainability be defined in the context of governments' larger reforms and goals; in that context, is transition a priority for Governments and when should the process ideally start?
  - What are the highest risks to financial and programmatic sustainability and how to measure them?
  - What considerations for management systems and capacity at national and subnational level to include in countries' readiness to transition??
  - Is the current operationalization of transition well geared to prepare Governments; is the remaining operational funding efficiently used and towards high priorities and risks?
  - What practices and enablers for creating Government buy-in, ensuring coordination & shared accountability, have we seen work and should be included in the transition process?
- Over the past 5 years, CHAI has embarked on a journey to inform these questions, with successful and failed experiments.
- We will be sharing some of these learnings from Nigeria, Kenya and Laos with the aim **to influence the way sustainability is embedded and operationalized in the Gavi transition process and beyond.**

# The FGoN continues to make progress toward achieving sustainable self-financing by 2028

## Overview of the trajectory of GAVI transition



In **2018**, Nigeria's **Gross National Income** per capita exceeded Gavi's support threshold of **\$1,580**, thus leading to eligibility to enter the accelerated transition phase



Vaccine financing was introduced into the FGoN National Budget's **Service-Wide Vote (SWV)** in **2019**



In **2001**, Gavi started providing support to Nigeria for vaccines, cold chain procurement, immunization campaigns and health system strengthening.



A **10-year strategy plan document** that defines the country's plan for financial ownership of the immunization and primary health care health system was developed in **2018**.



Between **2019** and **2023**, there has been a **34.3%** increase in the allocation to vaccine financing in the SWV

### Programmatic and Financing Challenges

- 1** The **tight fiscal space** poses a risk to the country meeting its co-financing obligation
- 2** **Inadequate accountability** of EPI managers in the utilization of available resources
- 3** **Bureaucratic processes** that lead to delay in the release of budgeted funds for immunization

### CHAI's Role in the Transition Plan

- 1** Supported the development of the **Nigeria Strategy for Immunization and Primary Healthcare System Strengthening**
- 2** Optimized vaccine forecasting processes and facilitated the **creation of a budget line item** in the FGoN Medium Term Expenditure Framework
- 3** Developed an **end-to-end vaccines financing process map** to provide clear financing guidance to all stakeholders

# Nigeria developed programmatic and financial strategies in light of the transition

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## Accountability Framework

- The Accountability Framework was **developed to assess Nigeria's progress against agreed targets** and indicators to achieve the goal of the NSIPSS
- It has 15 indicators that cut across health financing, financial management, governance, and programmatic performance
- The accountability framework has **enhanced ownership and promoted transparency across the system.**

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## Domestic Financing

- Prior to 2019, the FGoN financed immunization activities from external loans.
- The federal government in a commitment letter to GAVI laid out the following mechanisms for funding immunization (i) Through the service-wide vote (ii) First line charge (iii) Basic healthcare provision fund.
- **Immunization is currently funded through the service-wide** votes with a long-term plan of including it as a first-line charge item

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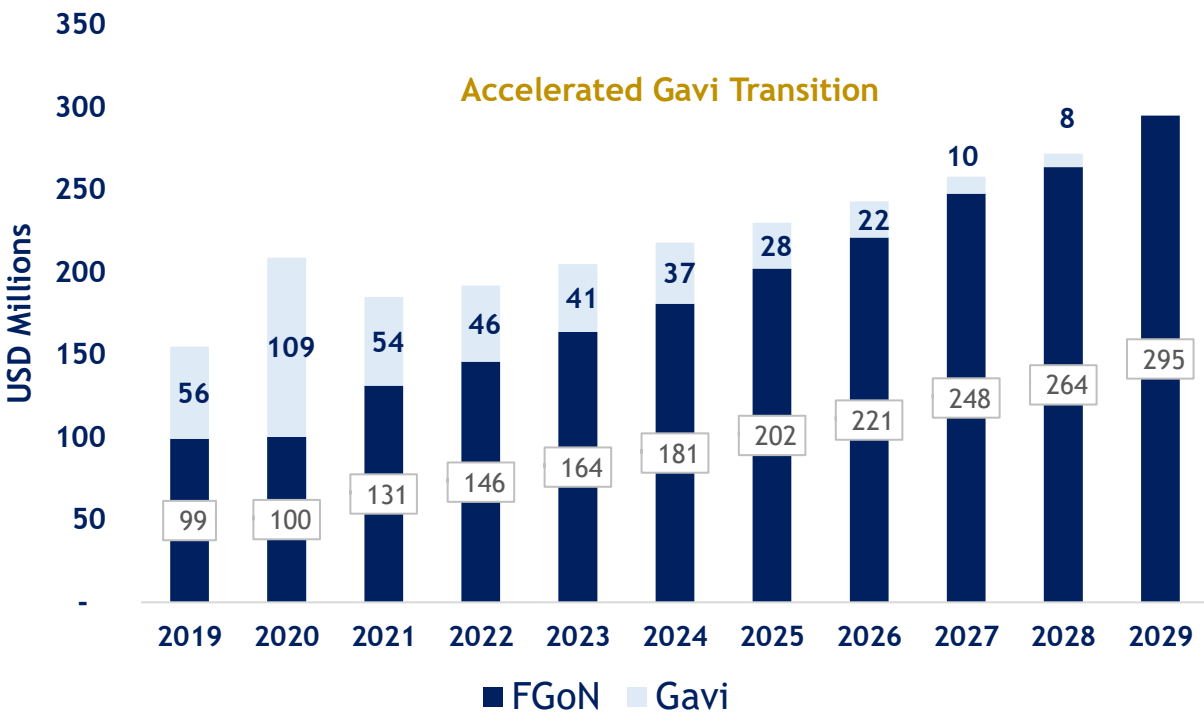
## Optimizing the Immunization Forecast Process

- Changes were made to the forecast process to make the estimate accurate
- The forecast was **changed from a national-level activity to a state-level activity.**
- To **coincide with the nation's budgeting cycle**, the forecast also needed to be done on time. The forecasting process is completed by May in time for the commencement of the national budgeting cycle, which begins in June.

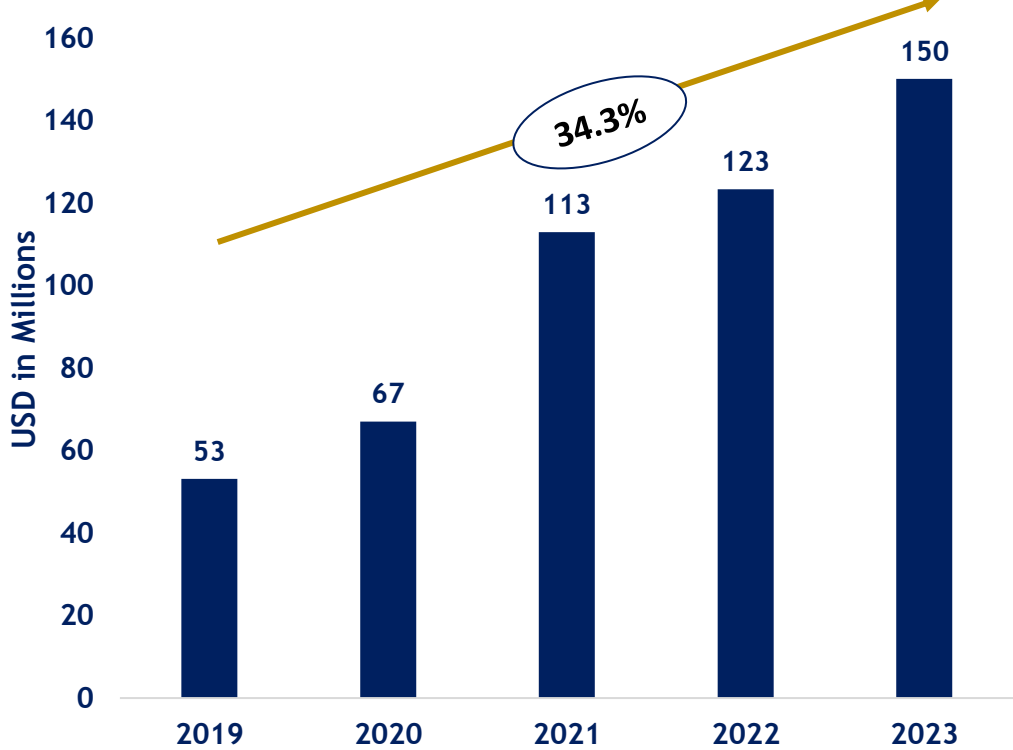
# Since 2019, there has been a 34.3% increase in the allocation to vaccine financing in the service wide vote



Projected routine immunization funding for vaccines & devices committed in Nigeria by funding source per NSIPSS



Annual increase in service-wide vote allocated to vaccine financing



SOURCE: NPHCDA, FGoN Budget, CHAI Analysis

# Four enabling factors have contributed to Nigeria's success story despite the tight fiscal space

## Tools

- The **accountability framework** has enhanced ownership and promoted transparency across the system.
- The **vaccine finance plan (VFP)** annually highlights risks that could derail the government from meeting vaccine financing obligation while also proposing approaches to mitigate these risks

## Advocacy

**Vaccines champions** were identified at the national assembly to support the defense of the vaccine financing line item on the country's budget and for engagement with respect to the inclusion of vaccine finance as a first line charge item on the National Budget

## Coordination

The country has strong coordination platforms that ensure immunization financing goals are met. These include;

- **Vaccine finance and accountability task team**
- **Inter-Agency Coordinating Committee**
- **NPHCDA Finance Committee**

## Processes

The forecast exercise is directly linked to the development of the annual VFP. The VFP directly incorporates estimates and assumptions from the completed forecast. The forecast process was optimized to coincide with the nation's budgeting cycle





# Context of Gavi Transition in Kenya

- Kenya is currently in the **accelerated transition phase** and aims to be fully self financing in 2030.
- Given the devolved nature of the country, it is likely **that counties will need to advocate for and mobilize their own resources**
- Inadequate financing poses one of the greatest risks to the improvement and sustainability of Kenya's immunization outcomes
- **Current programmatic and financial challenges include:**

## 1 Financing bottlenecks

- Limited government allocation
- Multiple pending donor transitions
- Limited visibility into vaccine procurement by Treasury
- Gavi co-financing not reflected in government budget
- Growing co-financing requirement

## 2 Programmatic bottlenecks

- Devolved system of government and varying sub-national capabilities
- Lack of clarity on operational costs and / or other programmatic costs covered through HSS or County funds

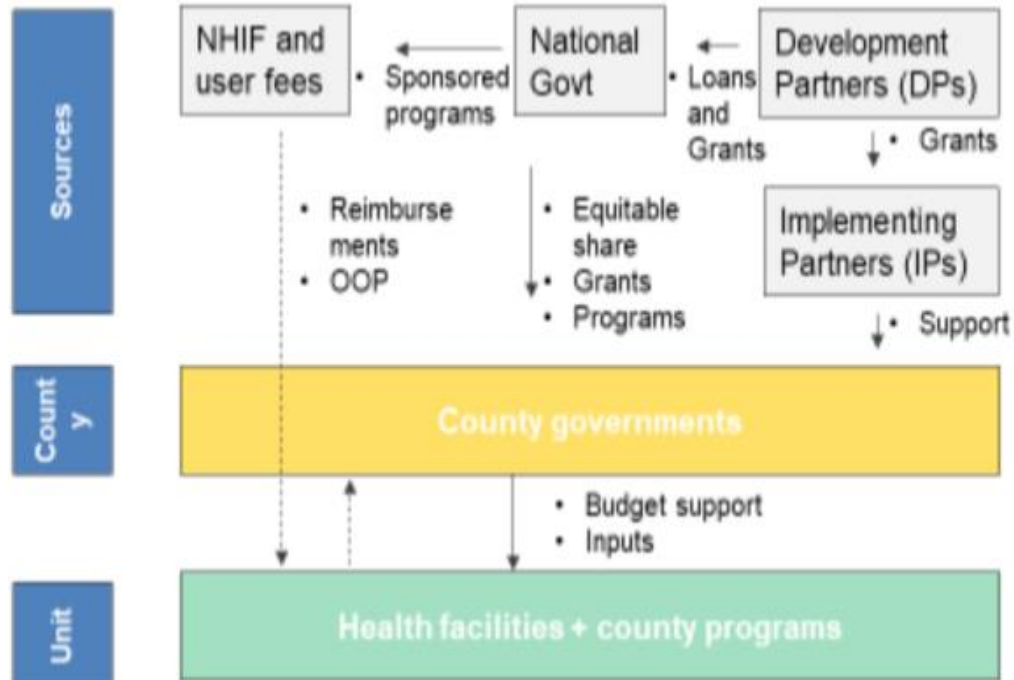
*Addressing these challenges will require a series of targeted interventions to increase domestic resource mobilization and improve utilization of resources for immunization at the sub-national level, considering the decentralized nature of the health system*

# In Kenya's decentralized setting, there are challenges to the funds flow process to the subnational level that impact resource mobilization



There are multiple funds flow processes...

...with challenges in 3 key areas



## 1 Bureaucracy & autonomy

- Delays in disbursement from County Revenue Fund (CRF) (and from National Treasury) to health facilities
- Lengthy process for procuring inputs for service delivery

## 2 Insufficient funding at functional units

- Sub optimal or no plough back of revenues raised by facilities
- Lack of incentives by providers to collect and claim revenues
- Lack of the requisite infrastructure to support optimization of funds collections

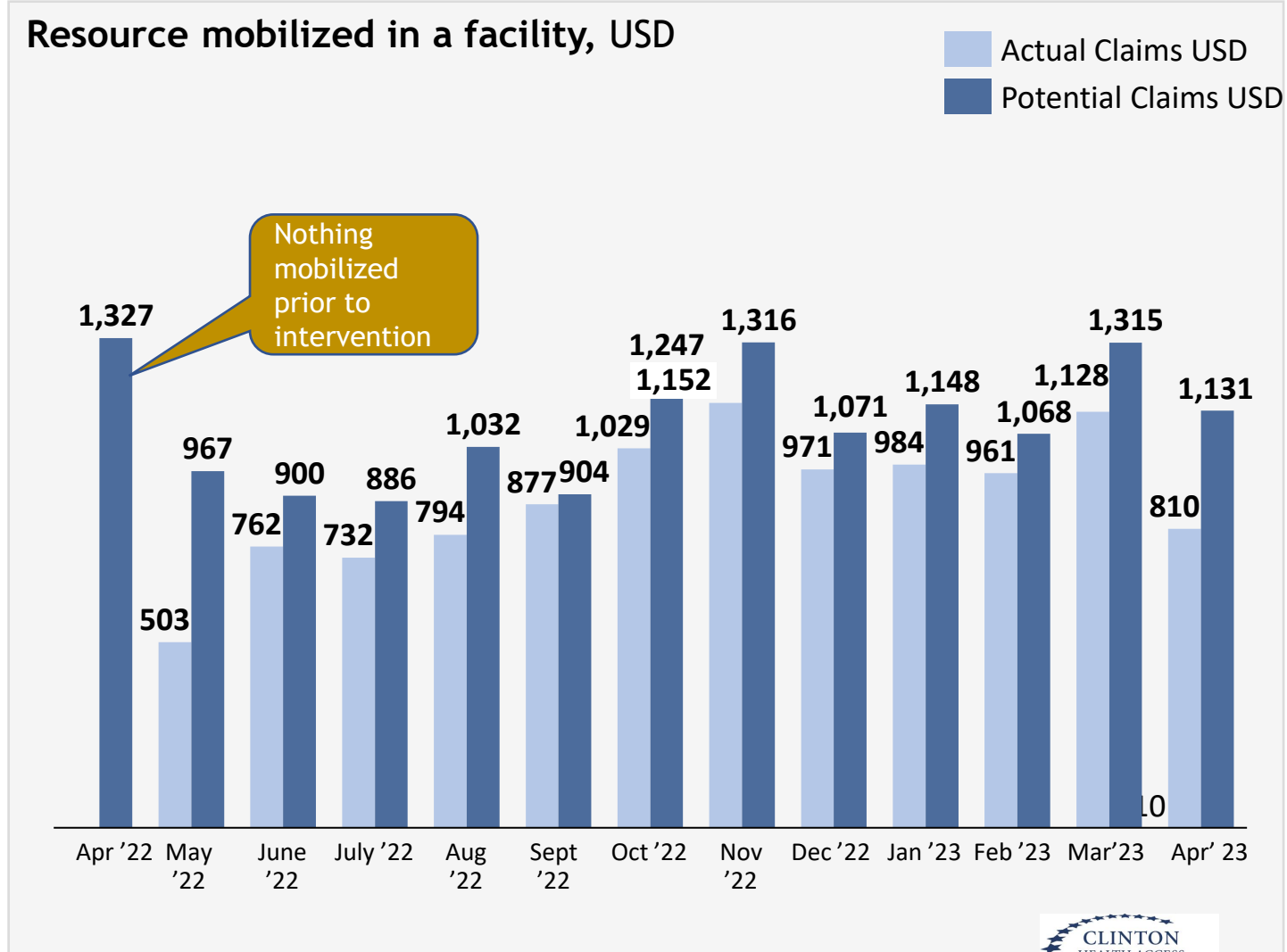
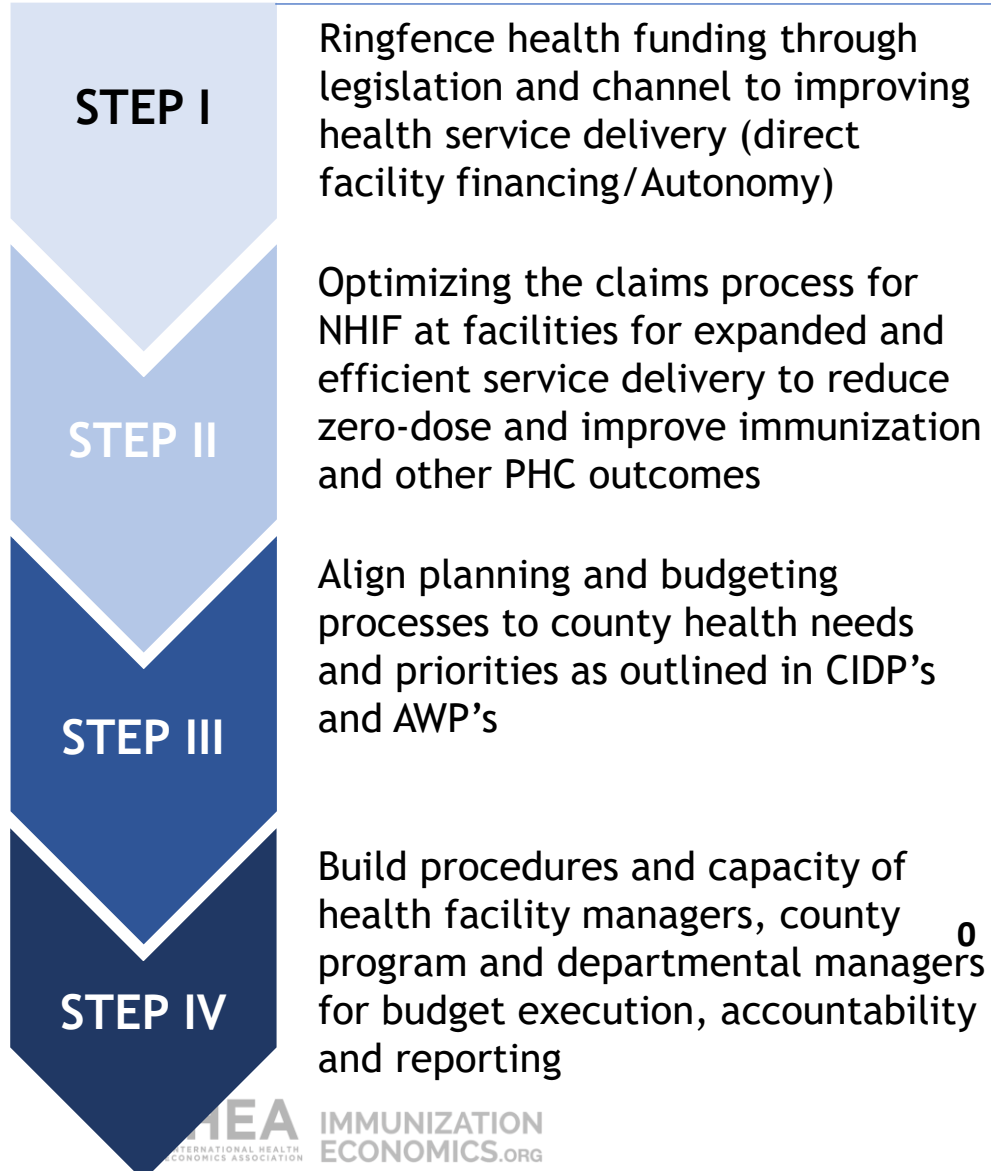
## 3 Prioritization

- Budgeting is based on inputs and not data/ disease driven
- Limited visibility in prioritization of health funds allocated by the county to facilities
- Allocation of revenues generated in facilities to other county departments

# Successfully mobilizing resources at the subnational level will involve a multistep process



## RESOURCE MOBILIZATION STEPS



# What is needed to ensure a successful transition of Lao PDR from Gavi support?



## Challenges

1 Current economic situation and fiscal space make **sustainable immunization financing** difficult

2 Cannot **achieve and sustain immunization equity**, e.g., given reliance on donor-funded outreach

3 **Capacity and systems transfer** required for successful transition hard to measure



## Strategies






1. Incorporate immunization within **broader health financing reforms as per the *Health Financing Strategy 2021 - 2025*** (inclusive of mobilizing additional resources and using existing resources better)
2. Consider both **vaccine and non-vaccine (operational) costs** including potential to:
  - Lower vaccines costs e.g., through PCV and HPV switches
  - Lower non-vaccines costs through integrated EPI/MCH service delivery (GoL policy) through cross-program efficiencies, cost-sharing across programs

1. Harness Gavi (HSS, TCA, EAF) funding to support **sub-national levels** (province, district, HF, community) to implement **locally owned and tailored strategies** to address immunization barriers, understand cost-benefit and how to **optimize resource allocation** to maintain equity gains without donor funding
2. Accurately cost and estimate need for EPI to be delivered **by fixed site vs. outreach**/other > planning, budgeting, allocation and disbursement of funds

Continue to push for **outcome-based monitoring, evaluation and accountability** among NIP and partners. Intensive effort needed to shift from current practice largely focused on inputs (e.g., utilization rate for Gavi funding, # trainings)

# How has CHAI worked to support a successful transition to date?



Change approach	Moving from	To (inclusive of impact)
 <p><b>PLAN</b> to strengthen EPI within GoL vision of integrated services i.e., <b>RMNCAH strategy</b> and action plan, HSDP, HSR, PHC Policy</p>	<p>Vertical, externally driven plans (e.g., Gavi Transition Plan V 1.0, cMYP), with duplication and lack of visibility of activities between donors, partners and NIP/MCHC</p>	<p><b>Joint EPI-Partner annual operational plan</b> for improved collaboration, efficiency and accountability, aligned to GoL strategies and incorporating gradual transition of vaccine and non-vaccine costs</p>
 <p><b>PRIORITIZE</b> existing resources (domestic and external) aligned to government policy, feasibility and impact</p>	<p>Trying to do everything ,no consideration of resource limitations and <b>tradeoffs</b> within EPI and between EPI and broader health sector</p>	<p>Priorities clarified in <b>RMNCAH strategy, HSS, EAF and TCA budgets aligned to this strategy</b> and vision for integrated, patient-centred care</p>
 <p>Accurately <b>COST &amp; BUDGET</b> what it will take to deliver EPI as part of “well child” integrated package</p>	<p><b>Historical budgeting</b> which supply rather than needs based (i.e., looking at how much funding was available rather than what was needed to meet priorities)</p>	<p>Cost estimates for <b>"Well Child" (direct service delivery and system capacity)</b> as integrated package developed. With ongoing resource mapping can help <b>identify gaps between funding needs and availability</b>, and mobilize/allocate resources accordingly.</p>
 <p><b>IMPLEMENT</b> changes to improve program performance and long-term cost-efficiency and sustainability</p>	<p>Repeating previous interventions irrespective of effectiveness, <b>siloed systems</b> e.g., for vaccines supply chain which were inefficient and unsustainable</p>	<p>e.g., <b>inclusion of vaccines into centralized MoH system</b> for monitoring and managing stock for all other commodities which has increased stock visibility and action to address stockouts</p>
 <p><b>EVALUATE</b> performance not just with coverage but other programmatic and financial data to understand if efforts are working or must be <b>adapted</b></p>	<p><b>Input driven</b> - focus on \$\$ spent or activities conducted without understanding if this contributed towards outcomes or not</p>	<p>Well-articulated ToC and MEL framework being embedded into <b>ongoing monitoring, accountability, and adaptive performance management.</b></p>

# Thank you



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