



The GAVI Alliance Submission to Australia's Independent Review of Aid Effectiveness

1. GAVI in Brief

- The GAVI Alliance was launched in 2000 with a bold ambition to save children's lives and protect people's health through expanding immunisation in the world's poorest countries.
- Through GAVI the international community has established an effective funding mechanism for supporting immunisation and health systems, and for introducing new vaccines in developing countries. GAVI directly helps to reduce child mortality (MDG 4) but also contributes to the achievement of all the Millennium Development Goals.
- Vaccines are a cost-effective prevention intervention, representing one of the best buys in public health. Studies show that GAVI vaccines are all cost effective, according to standard classifications and also when compared to other interventions¹. Some generate significant cost savings from the reduced need for treatment and care. The benefit is multiplied by the herd immunity effect, whereby protection is indirectly transferred to those not vaccinated.
- Following technical/peer vetting of country applications, GAVI subsidises new vaccines that are added to routine national immunisation programmes (country co-financing is a requirement) and provides cash grants for strengthening integrated health services, of which immunisation is a core component.
- Every year, over 2 million children in poor countries die from preventable diseases because they do not have access to life-saving vaccines. There are many reasons for this including existing vaccines being either too expensive or not optimal for developing country use. Vaccine development and production has high fixed costs and manufacturers have historically not seen value in investing in new products for developing country needs.
- In its first ten years the Alliance has achieved extraordinary success by bringing together the specialist skills and credentials of all of the main players involved in immunisation, including the World Health Organization (WHO), UNICEF and the World Bank, and focusing collective effort behind the leadership of developing countries themselves.
- A second evaluation of GAVI, covering the period 2006-2010, affirmed GAVI's value added and business model. The evaluation found that the Alliance has accelerated the introduction of vaccines, attracted additional funding to immunisation, successfully engaged in organisational and programmatic innovation, and has generated country ownership; and in so doing has prevented millions of future deaths.
- By raising significant additional new resources for immunisation and focusing on the world's poorest countries, GAVI has changed the way that vaccine manufacturers think about developing world markets. Pooling together approximately 70 developing countries – representing 75 million surviving infants (55% of the world's annual birth cohort) – and using UNICEF's global procurement system, the GAVI Alliance has helped to change the global vaccine market dynamic.
- More than 280 million children have been immunised and five million future deaths have been averted through GAVI support in the first decade of the Alliance. Based on rigorous country demand projections, there is the potential to almost double that number in the next five years. GAVI support has helped expand coverage of routine immunisation programmes in low income countries. Today routine average coverage of Diphtheria,

¹ For more detailed references and further explanations, please also refer to 'Investing in immunisation through the GAVI Alliance – The evidence base' http://www.gavialliance.org/resources/GAVI_Evidence_Base_2010.pdf

Pertussis and Tetanus (DPT3) in the world's poorest countries has climbed from 66% in 2000 to 79% in 2009 - a solid platform for delivering new vaccines and other Maternal, Newborn and Child Health interventions. GAVI's impact extends beyond numbers of lives saved. Ensuring good health is a critical ingredient in the fight against poverty.

2. Focus on Poverty and Geographic Fit with Australia's Development Aid Priorities

- GAVI has a strong poverty focus. Recent changes to eligibility will lead to a tighter focus on poorer countries with support from 2015 only provided to countries with a GNI per capita of <US \$1500 p.a.
- About 30% of GAVI's financial support to country programmes to-date have been allocated to AusAID priority countries in the Asia Pacific region, with disbursements to these countries up to end 2009 totalling approx. US\$ 800 million.
- Not including Africa and the Middle East, 17 of the countries which have received GAVI support are also AusAID priority countries².
- GAVI offers Australia a proven, respected and innovative multilateral mechanism for further developing its interest in supporting Africa, whilst at the same time minimising the risk of fragmentation of aid.

3. Sectoral focus and alignment with Australia's development priorities

- GAVI's emphasis on supporting national ownership and integrated health service delivery including support to Health Systems Strengthening (HSS) fits well with the Australian government's health sector focus and priorities. GAVI activities are attributed to the ODA health care category (DAC code 2220).
- GAVI's work reduces infant and maternal mortality by vaccinating infants and bringing mothers into contact with child and maternal health services, including family planning and ante-natal care. Directly impacting on women's health, GAVI has contributed to the immunisation of 40 million women against maternal and neonatal tetanus, and prioritised HPV and rubella vaccines for future support.
- GAVI results are measured through country level immunisation coverage data and the number of lives saved through GAVI-funded vaccines, independently validated by WHO and UNICEF. (*Please also refer to Annex "GAVI Alliance Strategy 2011-2015"*).
- GAVI is working with key partners including the Global Fund to fight Aids Tuberculosis and Malaria (GFATM) and the WHO on the potential to support a malaria vaccine should and when it becomes available.
- Investments in multilateral global health funds, such as GAVI, play a significant role in reducing the problem of fragmentation of aid delivery in the health sector.
- GAVI continues to lead innovations in aid programming and financing, for example the Health Systems Funding Platform (with GFATM and World Bank) and the International Finance Facility for Immunisation (IFFIm and Advance Market Commitment (AMC)).

² Afghanistan, Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Kiribati, Korea DPR, Laos, Mongolia, Myanmar, Nepal, Pakistan, PNG, Solomon Islands and Vietnam

4. Supports Australia's policy on the Millennium Development Goals

- Funding of GAVI counts 100% towards fulfilling the *Muskoka Initiative* commitments².
- GAVI contributes primarily to MDG 4, but also to MDG 5 and MDG 6 through its support to health systems. More broadly, GAVI contributes to other MDGs.
- MDG 4: New vaccines against the most severe types of the biggest killers of children, pneumonia and diarrhoea, will have a significant and immediate impact in reducing child mortality³.
- MDG 5: Immunisation services provide an entry point for delivery of maternal and child health services including family planning and ante-natal care. By preventing the illness of children, immunisation helps free women's time, energy and resources⁴. GAVI has contributed directly to the immunisation of 40 million women against maternal and neonatal tetanus⁵, and prioritised HPV and rubella vaccines for future support.
- MDG 6: Pneumococcal vaccines, in particular, offer added protection to HIV positive children and adults with immunocompromised systems and who are therefore more susceptible to infections⁶.
- In its first decade, GAVI has reached over 280 million additional children with vaccines and averted over 5 million deaths⁷.
- Routine immunisation average coverage for DTP3 in GAVI countries rose from 66% in 2000 to 79% in 2009 – just three percentage points below the global average⁸.
- There are numerous examples of country-level impact, e.g. in Kenya, Hib disease incidence in children fell by 88% within 3 years of introduction of Hib vaccine⁹.

5. Efficiency and Effectiveness

Control of administrative cost

- Administrative costs are kept low at less than 6% (2009) of programmatic and administrative costs.
- 130 staff between the Geneva and Washington offices.
- No direct country presence means that GAVI works with existing country systems and uses Alliance partners (e.g. WHO support with norms and standards) to contain costs and reduce transaction costs on countries.

Programme cost control

- Most GAVI-funded vaccines are procured through UNICEF's established global procurement facility and hence benefit from the rigour and efficiency of its tendering

³ See <http://g8.gc.ca/g8-summit/summit-documents/methodology-for-calculating-baselines-and-commitments-g8-member-spending-on-maternal-newborn-and-child-health/>

⁴ See Figure 1, pg. 7 in http://www.gavialliance.org/resources/GAVI_Evidence_Base_2010.pdf

⁵ Barnighausen T, Bloom DE, Canning D, Friedman A, Levine O, O'Brien J, et al. The economic case for expanding vaccination coverage of children. Program on the Global Demography of Aging, Working Papers. 2009 Jul. Available from http://www.hsph.harvard.edu/pgda/WorkingPapers/2009/PGDA_WP_45.pdf

⁶ See http://gavistg4.elca-services.com/resources/Womens_and_childrens_health_FS.pdf

⁷ Madhi SA, Petersen K, Madhi A, Wasas A, Klugman KP. Impact of human immunodeficiency virus type 1 on the disease spectrum of Streptococcus pneumoniae in South African children. *Pediatr Infect Dis J*. 2000 Dec; 19(12): 1141-1147. French N, Gordon S, Mwalukomo T, White S, Mwafulirwa G, Longwe H, Mwaiponya M, Zijlstra E, Molyneux M, Gilks C. A Trial of 7-Valent Pneumococcal Conjugate Vaccine in HIV-infected Adults. *N Engl J Med* 2010; 362: 812-22.

⁸ See pg. 28-30 in http://www.gavialliance.org/resources/GAVI_Evidence_Base_2010.pdf

⁹ World Health Organization. WHO/UNICEF estimates of national immunization coverage. 2010 Feb 24 [cited 2010 Feb]. Available from:

http://www.who.int/immunization_monitoring/routine/immunization_coverage/en/index4.html

¹⁰ See Figure 3, page 11 in http://www.gavialliance.org/resources/GAVI_Evidence_Base_2010.pdf

processes and delivery arrangements. When countries choose to procure directly, GAVI only funds UNICEF prices to ensure value for money.

- Proposals for cash grants and their performance upon implementation, including budget utilisation, are reviewed by the Independent Review Committee as a basis for initial approval and annual consideration of budget adjustments.
- GAVI seeks to minimise the price of vaccines through bundling developing country demand and bulk procurement. GAVI-eligibility is now an established industry-wide standard in producer's tiered pricing approaches. Although vaccine prices have not dropped as much or as quickly as originally anticipated, there is clear evidence of GAVI's market impact. For example, pentavalent vaccine – an innovative 5-in-one product now in routine use in almost all GAVI-eligible countries – has fallen in price in the last three years from over US \$3.50 to US \$2.58 since new manufacturers from emerging economies were attracted to the market.

Importance given to rates of return and cost effectiveness

- Vaccines are one of the most cost effective interventions in global public health and international development¹⁰.
- Studies have calculated the expected return on investment of GAVI's programme at 18% by 2020¹¹. This is higher than for most other health interventions, and similar to primary education.
- Vaccines are highly cost effective as they reduce the number of DALYs lost to vaccine preventable diseases. For example, eradicating smallpox at a one-time cost of about US\$ 100 million saved the world approximately US\$ 1.35 billion per year.³
- Country specific cost effectiveness data is provided to governments by GAVI partners for informed decision-making on new vaccine introduction.
- GAVI's vaccine investment strategy included cost effectiveness as criteria against which new vaccines were prioritised for GAVI support.
- New vaccines and windows of GAVI cash-based support are only approved after thorough scrutiny of the investment case. Country proposals for new vaccine introduction are scrutinised by an Independent Review Committee.

Effective global leadership

- GAVI is recognised as a respected major global health organisation reflected in its inclusion in 2007 as a founding member of the 'H8', which brings together the leadership of the eight major multilateral health programmes. GAVI is recognised by global leaders as a leader in the sector and in development finance, e.g. the UN Secretary General included GAVI in his initial high-level retreat to discuss what became his Global Strategy for Women's and Children's Health. GAVI worked with the Global Fund to lead the Health Systems Funding Platform initiative, GAVI was a founding member and is a key contributor to the International Health Partnership, which seeks to apply Aid Effectiveness principles to health sector aid and the subsequent Taskforce on Innovative Financing for Health Systems Strengthening.

¹¹ See pg. 11-12 in http://www.gavialliance.org/resources/GAVI_Evidence_Base_2010.pdf

¹² Bloom DE, Canning D, Weston M. The value of vaccination. *World Econ.* 2005 Jul-Sep; 6(3): 15–39

¹³ World Health Organization. The global burden of disease 2004 update: Disability weights for diseases and conditions. Geneva: World Health Organization. 2004 [cited 2010 Mar 2]. Available from: http://www.who.int/healthinfo/global_burden_disease/GBD2004_DisabilityWeights.pdf

6. An Innovative Approach to Development

Public-Private Partnership

- Brings together expertise and resources from multiple public and private stakeholders, sharing an ambitious, but achievable goal: to develop and deliver effective and affordable health products to people most in need, but least able to afford them.

Global Leader in Innovative Finance

- Internationally recognised as a global leader in innovative finance, with two mechanisms that draw heavily on private-sector thinking to help overcome historic limitations to development funding for immunisation. These mechanisms are the Advanced Market Commitment (AMC) and the International Finance Facility for Immunisation (IFFIm).
- GAVI piloted the AMC, which is an innovative finance mechanism designed to stimulate the development and manufacture of appropriate and affordable vaccines. The AMC has supported the introduction of a new vaccine in developing countries against pneumococcal disease which is one of the foremost vaccine-preventable killers of children today.
- IFFIm addresses the need to developing countries' need for sustainable predictable funding. The aim of IFFIm is to raise US\$ 4 billion on capital markets over the next 10 years. Donor countries, which include France, Italy, Netherlands, Norway, South Africa, Spain and the UK, make 10-20 year legally-binding aid commitments. IFFIm borrows against these pledges on capital markets, raising funds for immunisation programmes that can be disbursed in an optimal way. In 2009, the government of **Australia announced a commitment of AUS\$ 250 million to IFFIM** over a 20-year period.

Sustainability through Co-Financing

- Innovative co-financing policies mean that countries gradually share the cost of development support, thus facilitating the sustainability of country immunisation programmes and enhancing a country's evidence-based decision making.
- In line with the Paris Principles on Aid Effectiveness, as it encourages countries to reflect support for new vaccines in their national budgets.
- Co-financing levels vary according to countries' ability to pay.

7. Coordination

Contributes to donor harmonisation

- GAVI Alliance governance structures bring together stakeholders in immunisation, from donor countries (including Australia) and implementing governments, civil society organisations, vaccine industry and international financiers. Through GAVI, public and private sector organisations work together to harmonise aid programmes to better support countries' implementation of immunisation and health plans. The Alliance encourages comparative advantages and division of labour among partners.
- Reference again GAVI's leading role in the conception and design of the Health Systems Funding Platform, which brings together major multilateral funders (and potentially other aid providers) ensuring lower transaction costs on implementing countries and better alignment with national health plans, strategies and budget and monitoring systems.

Aligns with country partners

- GAVI responds to country level demand by aligning and providing support to countries' own priorities as set out in their health and immunisation planning framework.

- Cash support flows through government mechanisms and is captured in countries' planning frameworks and audited using, to the maximum extent possible, each country's own procedures.

Adheres to Paris Principles

- A recent World Bank study ranked GAVI 5th out of 38 (9 agencies, 28 countries and the EC) in terms of aid effectiveness¹².
- GAVI is a formal signatory to the Paris Declaration on Aid Effectiveness and is an active participant in global efforts to advance aid effectiveness.

Has flexibility which enables a country-led approach

- GAVI's business model is based on developing country demand and strengthening national systems.

Incorporates beneficiary voice

- GAVI Board has equal number of members (5) from developing countries and donor country constituencies. Civil society is also represented on the Board.

8. Focus on Results

Demonstrates delivery against objectives

- The GAVI Alliance Strategy and Business Plan for 2011-2015 holds all Alliance partners accountable for results with key performance indicators and a monitoring framework with deliverables specified against each programme objective (see Annex).
- GAVI has pioneered results-based programmes, including the Immunisation Services Support, which included award and reward incentives for increased vaccine coverage.
- Annual reviews of country progress determine continued flow of support to countries, ensuring a focus on measurable results.

Contributes to development results

- Good health leads to social and economic development by enabling people to reach their full potential as active and productive members of society.
- Vaccines contribute not just to saving lives but also to the reduction of illness and disability in both children and adults. The impact of immunisation is further amplified through herd immunity effects, preventing disease even in non-vaccinated individuals.

9. Evaluation

Measures results and uses them to improve decision making

- GAVI prides itself as a learning and innovative organisation.
- GAVI has a well-developed M&E strategy and is investing in improving its monitoring system in coordination with partners (e.g. dashboard, databases, national health system surveillance).
- GAVI has invested heavily in evaluation processes and in independent evaluations – 7 undertaken thus far. An Independent Evaluation Advisory Committee reports to the Board and all evaluation reports and management responses are publically accessible on the website¹³.

¹⁴ Knack, Stephen Et al. 2010. Aid Quality and Donor Rankings. The World Bank - Development Research Group, Policy Research Working Paper 5290.

¹⁵ GAVI evaluations undertaken thus far include: 1) GAVI Phase Two (GAVI's work 2006-2010); 2) Review of GAVI Independent Review Committees (IRCs) - July 2010; 3) Health System Strengthening (HSS); 4) Health System Strengthening (HSS) Tracking Study; 5) GAVI Phase One (GAVI's work in 2000-2005); 6) Immunisation Services

10. Management of potential fraud and risk

Funding allocations are transparent and performance-based

- Transparency of funding allocations is assured through Independent Review Committees that assess proposals for initial approval and subsequently review programmatic performance each year as a basis for continuation and potential adjustment of funding.
- Recommendations of the Independent Review Committees are referred for approval to the GAVI Alliance Board or its Executive Committee, on each of which partners are represented.

Effective scrutiny mechanisms

- Oversight is provided by the Audit and Finance Committee of the Board and an internal audit function. A dedicated team monitors adherence to GAVI's Transparency and Accountability Policy that applies to cash grants.
- Annual consolidated financial statements are independently audited and, together with the report of the auditors, are published in an annual report and on the GAVI website.

Instruments are appropriate

- Donors have the possibility of contributing through a selection of mechanisms designed to suit donor objectives and the needs of the GAVI Alliance.
- In addition to making direct contributions to GAVI, donors can pledge long-term contributions to the International Finance Facility for Immunisation and AMC (see *Global Leader in Innovative Finance* in section 6 above).

11. Cross-cutting issues

Promotes gender equality

- GAVI's gender policy is actively monitored.
- At programme level, GAVI instigated new research on the gender-related issues in immunisation. The research demonstrated that, in general terms, immunisation is a gender-neutral intervention in terms of both girls and boys being vaccinated. Any gender disparity was more likely to be a consequence of the socio-economic status and access to health services of the mother, rather than the sex of the infant.
- A new HPV vaccine against cervical cancer has been rapidly adopted in high income countries but not in low-income ones where incidence and mortality rates are much higher. Cervical cancer is the biggest cancer killer of women in the developing world¹⁴. HPV vaccine has been prioritised for future programme support,

Results Based Financing (RBF)

- GAVI has had 10 years of experience in RBF¹⁵. Through Immunisation Services Support (ISS) GAVI offered cash payments which countries can use flexibly to improve immunisation performance. This support is an incentive and is calculated according to country the achievement of previous targets. Continuation of the reward depends on strict performance monitoring undertaken by governments and inter-agency coordinating committees. ISS was a pathfinder for performance-based aid programmes.
- A successor programme to ISS, known as Incentives for Routine Immunisation Strengthening is currently under development.

Support (ISS); 7) Injection Safety Support (INS); 8) The Accelerated Development and Introduction of Priority New Vaccines (ADIPs), the Hib Initiative, and related support for the introduction of new vaccines. Reports on the findings of these evaluations can be found at <http://www.gavialliance.org/performance/evaluation/index.php>

¹⁶ 85% of women who die of cervical cancer each year reside in developing countries. See Parkin DM, Bray F. Chapter 2: the burden of HPV-related cancers. *Vaccine*. 2006 Aug 31; 24(S3):11-25.

¹⁷ ISS support was first approved in 2000 (14 countries).