

# Immunization Obstacles to Financing

**Geneva Forum**  
**Global Access to Health**  
**30 August- 1<sup>st</sup> September 2006**

# Vaccines : We are living in a strange world

- Vaccines save a lot of lives( 3M / year)
- They are cheap and cost-efficient
- We dream of the vaccines we do not have (HIV, malaria)
- But we are far from optimally using the ones we have

# Start of GAVI

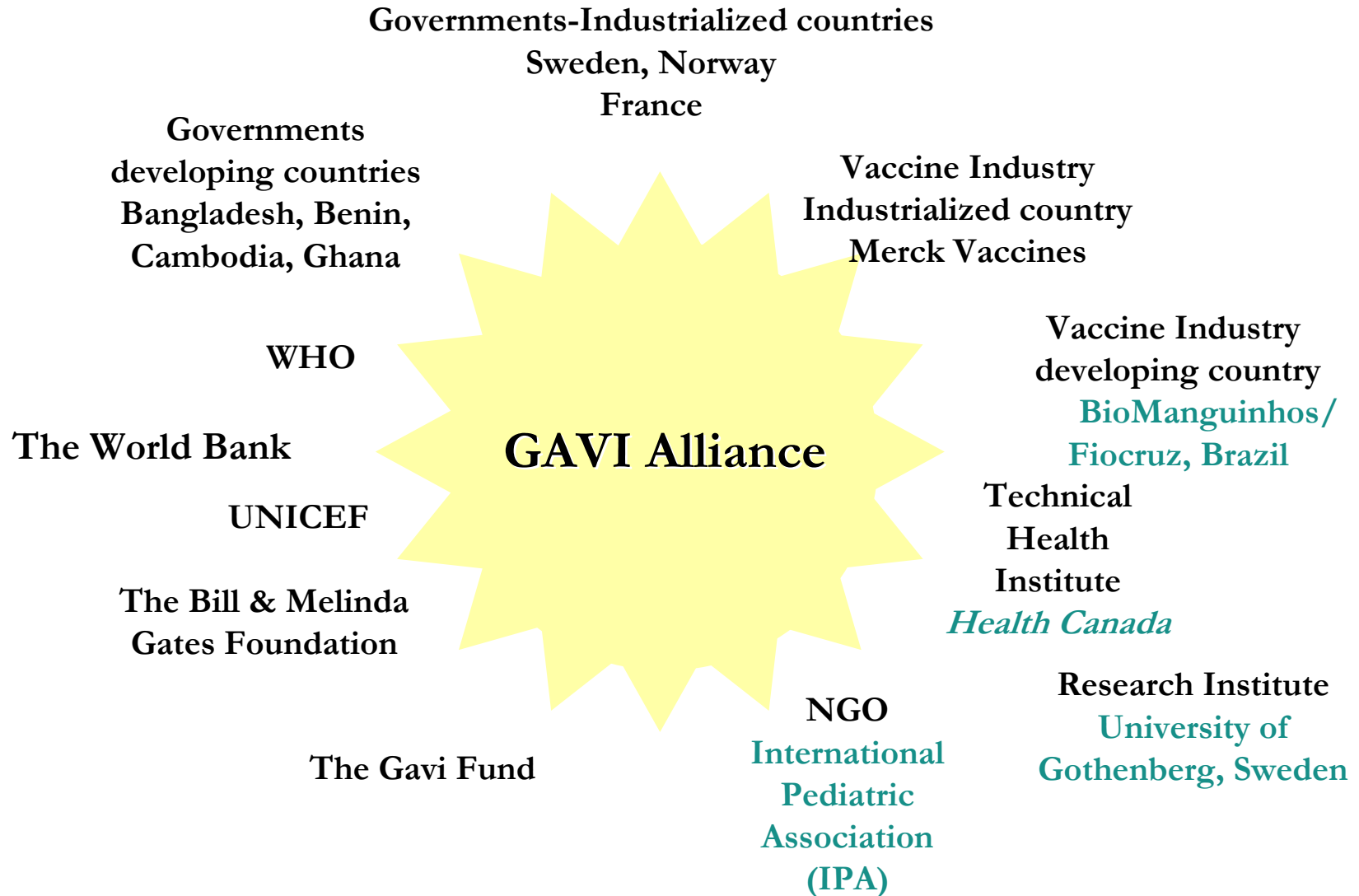
- Every year, more than **36 million newborns** remain without access to immunization
- As a result, **two to three million will die** from a vaccine-preventable disease
  - ➔ or 250 000 deaths / month = 1 Tsunami

# Cost of a fully immunised child (1999)

<b>Vaccines</b>	<b>1 \$</b>
<b>Delivery</b>	<b>14 \$</b>
<hr/>	
<b>Total</b>	<b>15 \$</b>

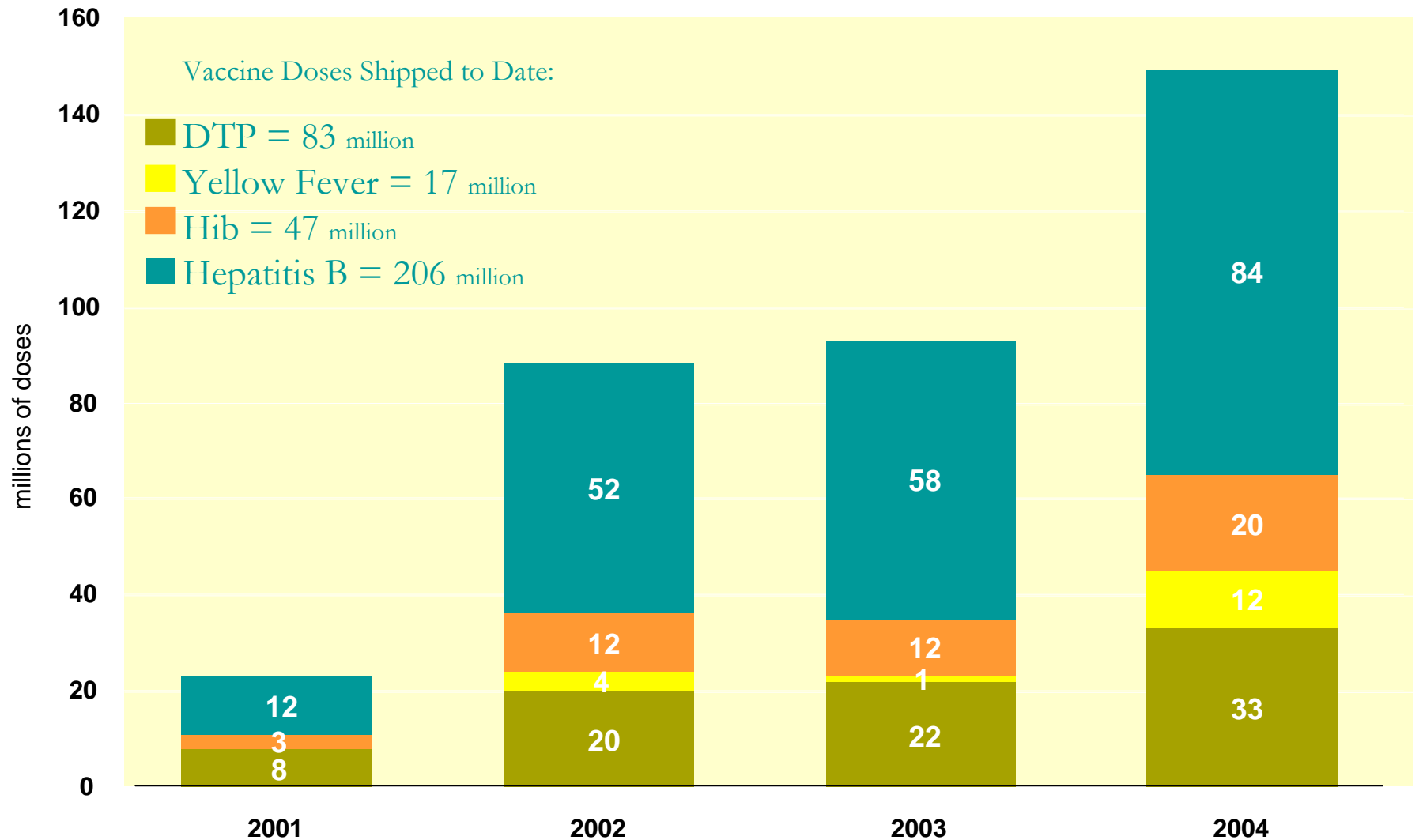
**The main obstacle to an  
appropriate financing is the  
lack of political will**

# The concept of a GLOBAL ALLIANCE



# A few results in 5 years

## The Progress: Delivery of Vaccine Doses is rising

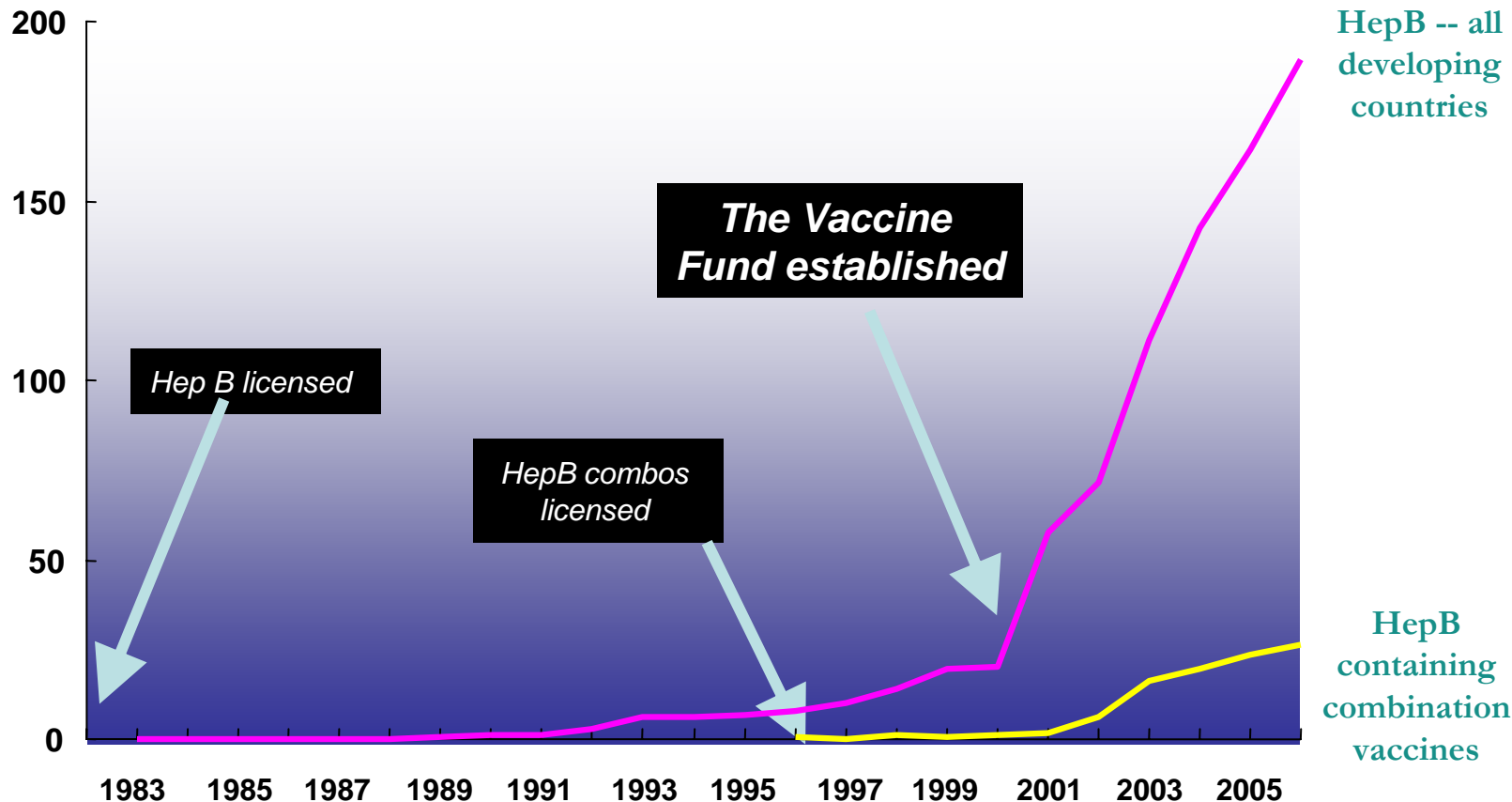


SOURCE: GAVI Secretariat, 2004

# Reduce Time Lag in Introduction of New Vaccines in Poor Countries

Million doses

Achievement with combination vaccines



HepB -- all developing countries

HepB containing combination vaccines

# In summary...at the end of 2005:

- ✓ **15 million** more children reached with basic vaccines
- ✓ **99 million** more children reached with new vaccines
- ✓ **Nearly 1.7 million future deaths** prevented
- ✓ **Number of unimmunized children down to 27 million a year**

SOURCE: WHO Department of Immunization, Vaccines and Biologicals (IVB) Estimates

# Results

	Cumulative Commitments 1999-2005 (US\$)	Cumulative Pledges 2006-2015 (US\$)
Bill & Melinda Gates Foundation	\$ 908.5 m	\$ 675 m
Canada	\$ 143.55 m	\$ 15.39 m
Denmark	\$ 7.79 m	\$ 20.00 m
European Union	\$ 4.92 m	\$ 25.50 m
France	\$ 18.09 m	\$ 0 m
Ireland	\$ 2.63 m	\$ 0 m
Luxemburg	\$ 1.2 m	\$ 0.6 m
Miscellaneous private	\$ 4.23 m	\$ 0 m
Netherlands	\$ 87.06 m	\$ 0 m
Norway	\$ 142.93 m	\$ 750.00 m
Sweden	\$ 26.52 m	\$ 0 m
United Kingdom	\$ 73.76 m	\$ 43.85 m
United States	\$ 283.21 m	\$ 70.00 m
<b>TOTAL</b>	<b>\$ 1.704.39 billion</b>	<b>\$ 1.6 billion</b>

# Promote financial sustainability

- Sustainability is *shared* responsibility between developing countries and donor partners
- Poorest countries not expected to become *self*-sufficient until economies improve
- GAVI partners developed the financial sustainability planning tools to aid national governments
- Financial sustainability plans, now costed multi year plans

# Promote financial sustainability

Continuing challenges are:

- Increased government funding for health
- Firm long-term commitments from donor partners
- Reduced program costs by increasing efficiency by :
  - timely delivery & improved management of resources within health system
  - improving program efficiency

# Accountability

- **Constant monitoring of performance**
- **Data Quality Audit (DQA) – The aim of the protocol is to assess the system for collecting and integrating data so that it can be used by national and local managers**
- **Performance-based funding plans (+20 US\$/child)**

# New Financial needs are emerging

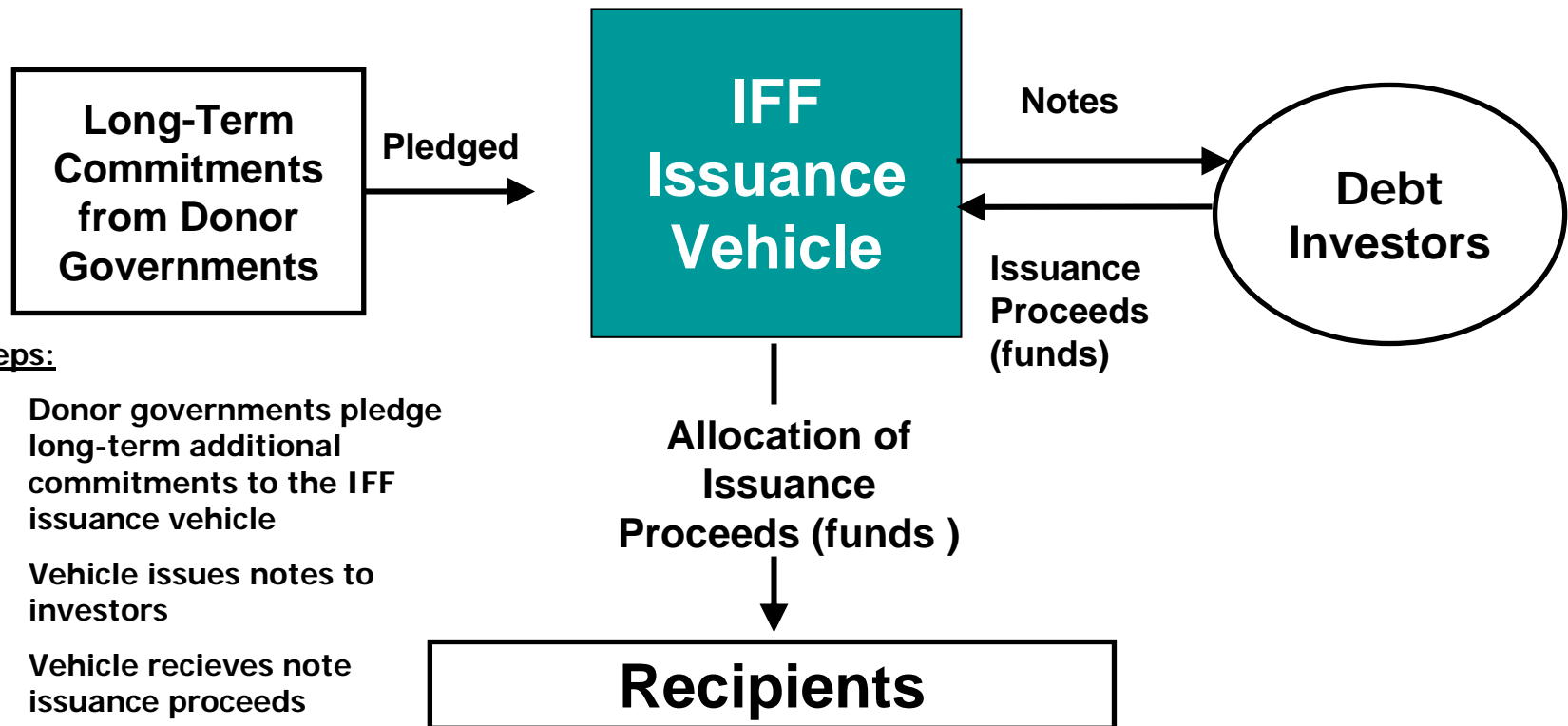
- **HIB**
- **Pneumococcus Vaccines**
- **Rotavirus Vaccines**
- **Human Papilloma Vaccines**

# Probable prices of new vaccines

HIB	3\$ / dose	3 doses
Pneumo	5\$ / dose	3 – 4 doses
Rotavirus	10\$ / dose	3 doses
HPB	100 \$ / dose in developed countries	3 doses

**The main challenge of GAVI for  
the next years  
will be to change  
the order of magnitude of funding  
dedicated to vaccines**

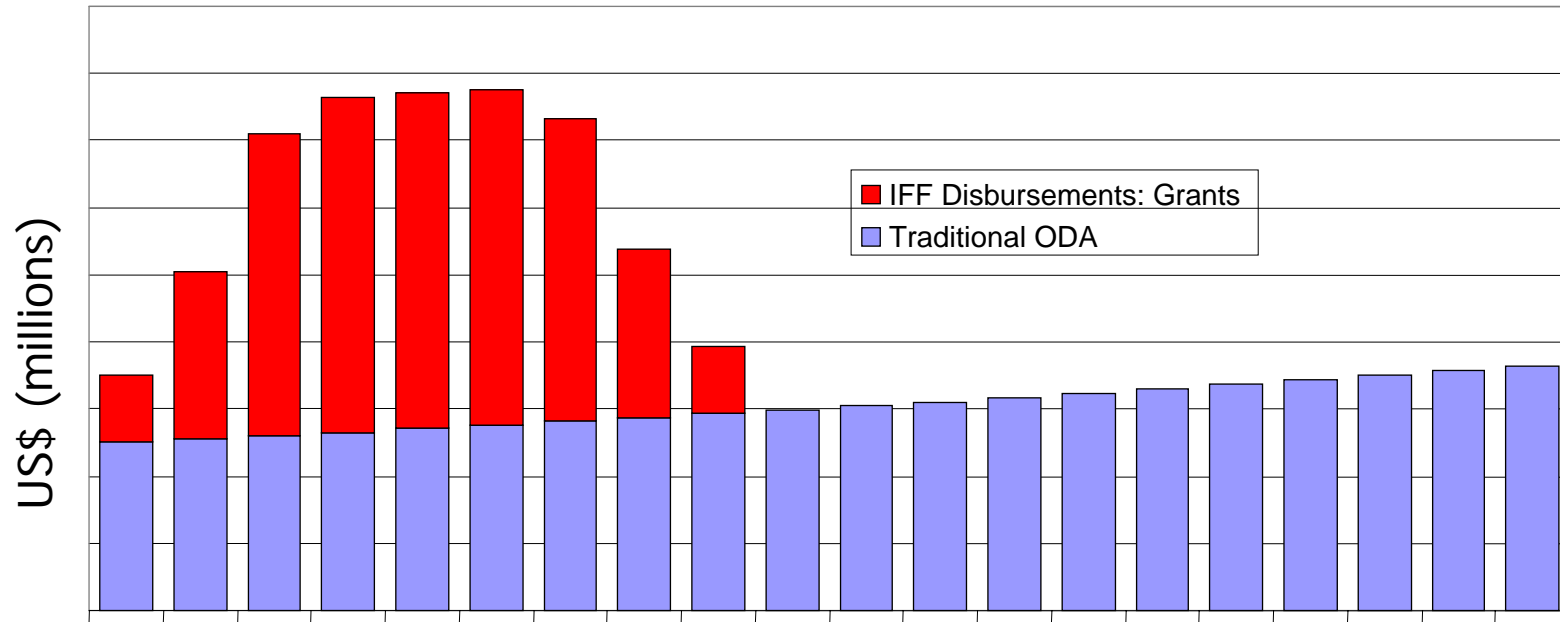
# A new initiative : the International Financing Facility



## Steps:

1. Donor governments pledge long-term additional commitments to the IFF issuance vehicle
2. Vehicle issues notes to investors
3. Vehicle receives note issuance proceeds
4. Proceeds are allocated to recipients

# The IFF Mechanism



- **PROBLEM:**

- Cost of accelerated intervention exceeds traditional annual flows
- Lack of secured, sustained funding undermines long-term planning

- **SOLUTION:**

- Front-load aid flows
- Additional, predictable, visible resources (IFF)

**As of today 4 billion \$  
have been committed to the  
IFFIm**

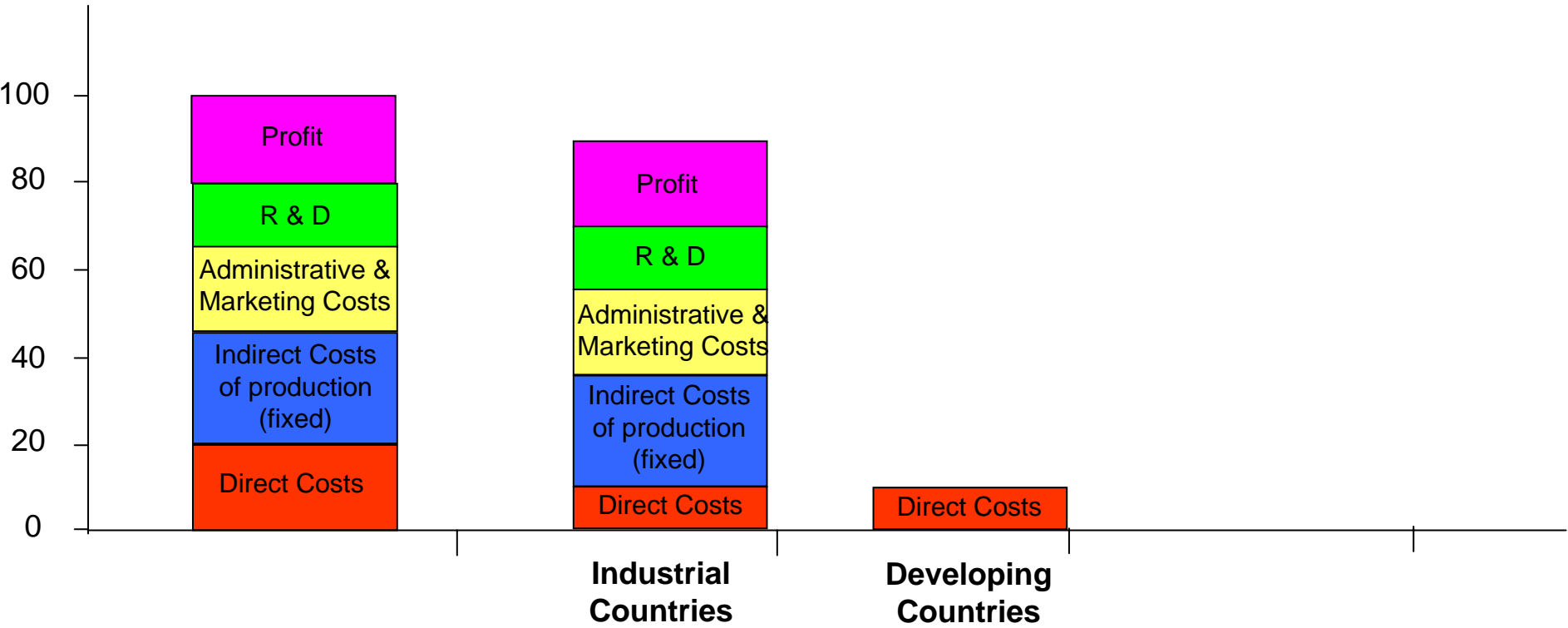
# Issues relating to industry's contribution

- **Forecasting**
- **Advanced purchase commitments**
- **Tiered prices**

# Tiered Prices

**What is it ?**

**A strategic use of price differentiation based on customers wealth (irrespective of volumes purchased) in a system agreed upon by the global society, including the political power and social security institutions.**



- **These non variable costs (including profits) can be arbitrarily allocated, which explains the pricing flexibility**

- For a company, it is possible to a large extent, to improve the global profitability in selling additional quantities of products at a price less than the « fully loaded cost »

# The political limits of the system

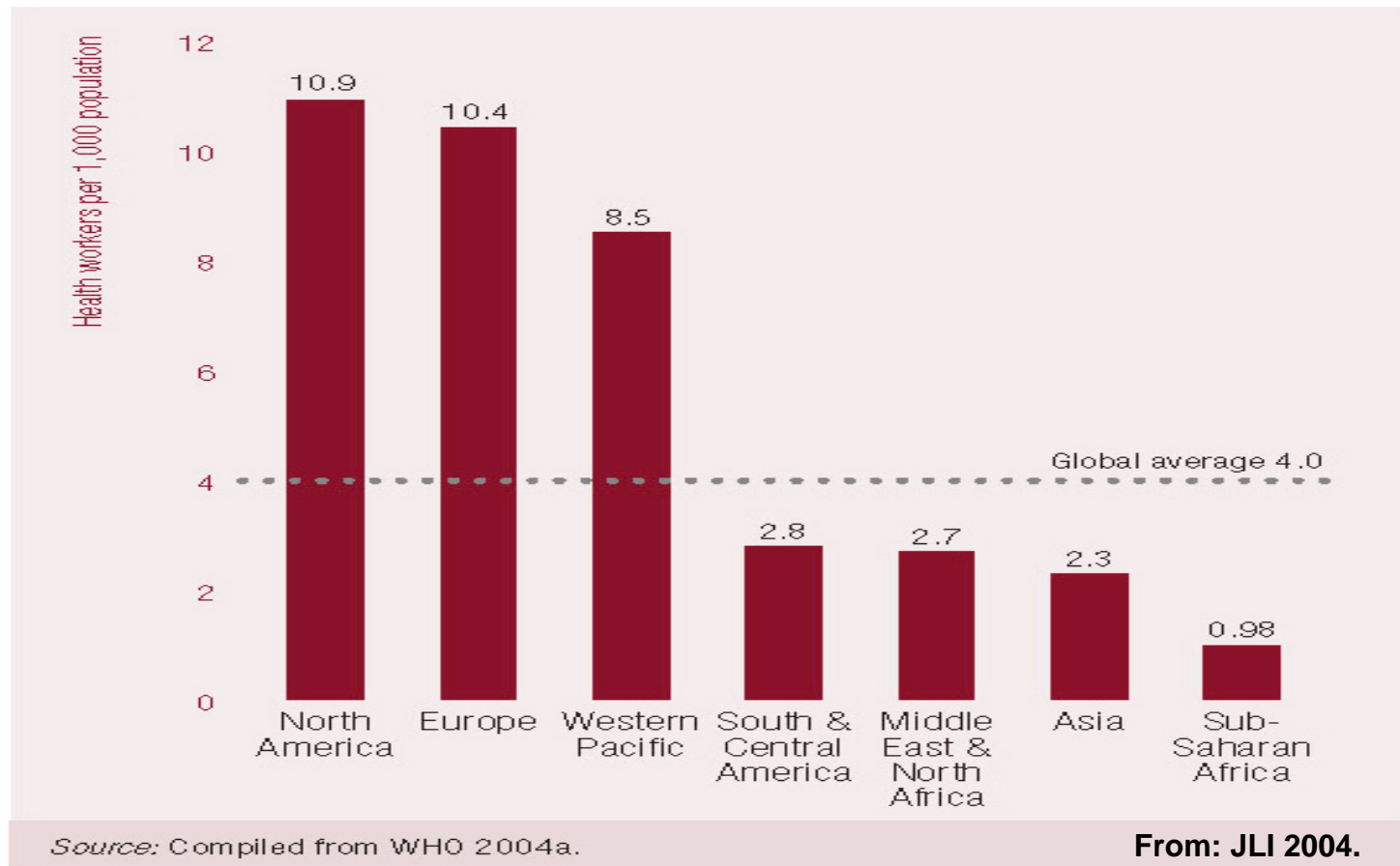
- Rich countries have to accept strong price differences (sense of excessive price)
- This problem is particularly acute when there is a monopoly situation
- Emerging economy countries have difficulties to accept intermediate prices

# The practical limits of the system

- Risk of parallel imports
- Coexistence in a country of two market segments at very tiered prices

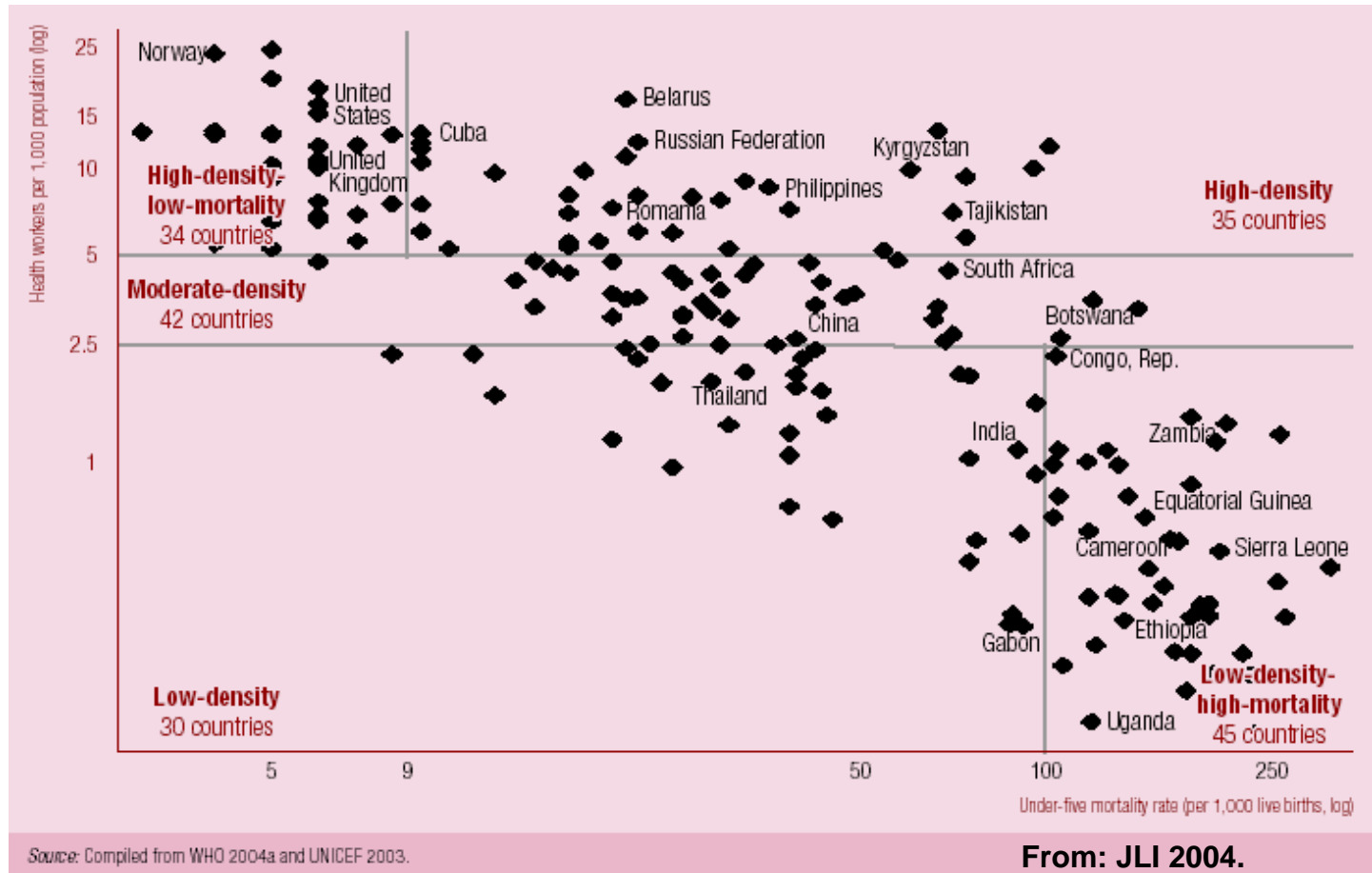
# Access : Human Resources

## Health Worker Density Comparisons by World's Regions



# Access : Human Resources

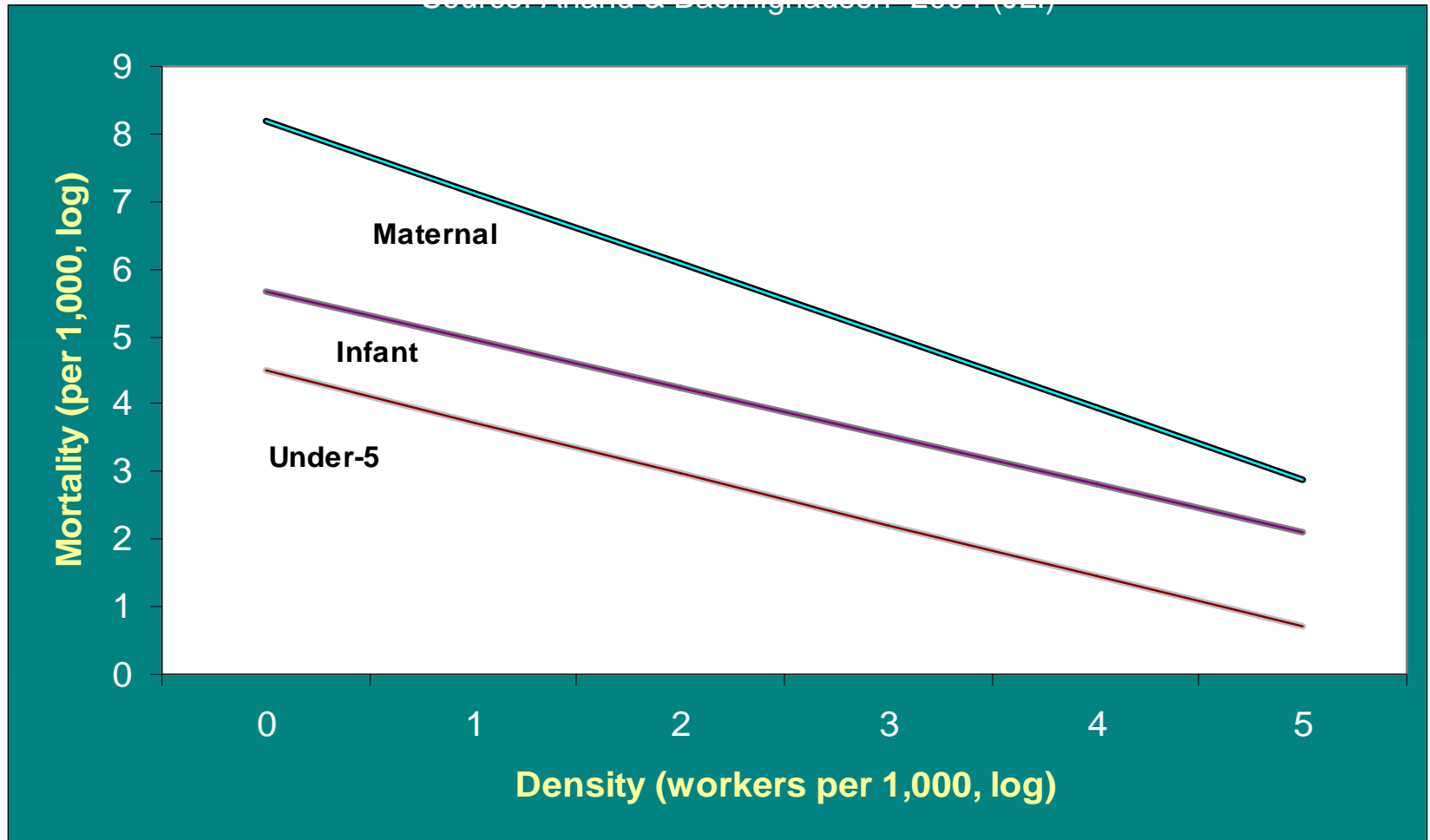
## Health Worker Density and Child Mortality



# Access : Human Resources

## Worker Density and Mortality

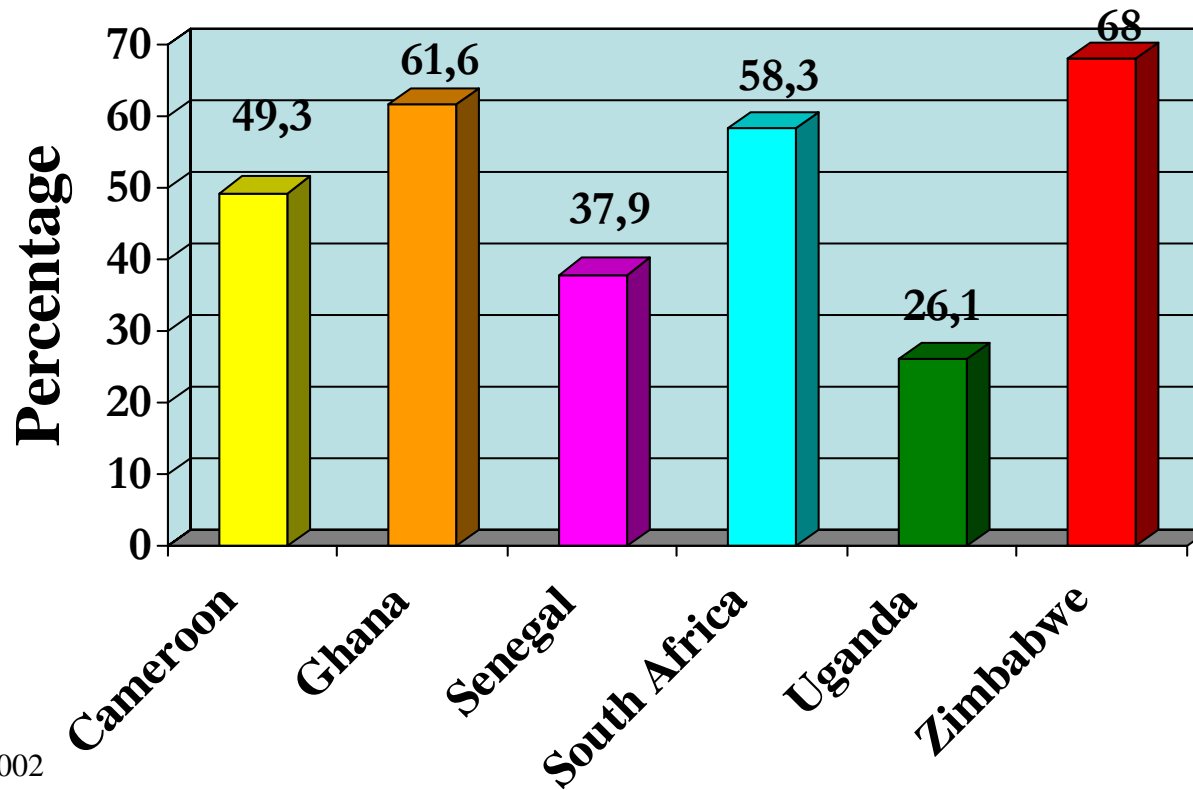
Source: Pritchard & Bachthrajan, 2007 (CEI)



# Access : Human Resources

## Migration Intentions

Proportion of health workers who intend to migrate  
(6 African Countries: 2002)



Source: WHO AFRO 2002

# Access : Human Resources

## Projected Nursing Shortfalls in Rich Countries A danger for Poor Source Countries ?

Countries	Projected Nurse Shortfalls & Years	
United States	500,000	2015
Canada	113,000	2011
United Kingdom	35,000	2008
Australia	31,000	2006

Derived from data at – <http://www.stage.gov/s/gac/rl/or/29737.htm> (October 2004)

**GAVI's objective for 2010 is  
a coverage of 90% of newborns  
fully immunised**

**Fully immunised means  
5 contacts with the child (and  
family) in the first year of age**

# Every contact is also an opportunity to address other health needs :

- **Vitamine A**
- **Malaria**
- **HIV / Aids**
- **Nutrition**
- **etc.**

**A health system able to reach 90%  
of a birth cohort is in the position  
to secure the essential health  
services...**

**... including needs related to  
emerging diseases**



*„We cannot be a  
strong nation unless  
we are a healthy  
nation“*

*President Franklin D. Roosevelt*