World Health Organization

photo: Ricardo Gangale / Bill & Melinda Gates Foundation

MINISTERIAL CONFERENCE ON IMMUNIZATION IN AFRICA

Ensuring Sustainability: Immunization Financing in an Era of Transition

Background

Countries around the world depend on healthy, active citizens in order to grow and prosper. Studies show that healthy individuals are more productive, earn more, save more, invest more, consume more and work longer—all are factors that contribute to a growing economy.

For over 200 years, countries have turned to vaccines to ensure their populations stay healthy. In return, vaccines— one of the most cost-effective public health interventions in the world— ensure people are protected against life-threatening diseases such as measles, polio and pneumonia. In fact, vaccines are estimated to prevent 2-3 million child deaths and 600,000 adult deaths globally each year. In addition, research shows that immunized children are associated with higher educational attainment and can contribute to a more productive workforce.

While investing in immunization is a proven positive for countries, a lack of investment can severely harm household health and wealth. In one study, research showed that a measles outbreak can cost affected Ethiopian households 6% of their annual income. This study is a clear example of the direct correlation between immunization and economic potential, and demonstrates the risks for families and countries that choose not to protect themselves with vaccines.

Situation Analysis

Vaccinating every cohort of newborns along with providing boosters and new vaccines to children is a daunting but vital task that requires adequate and sustained financing. Making matters more difficult, the cost of national immunization programs is rising as new vaccines, such as those that protect against pneumonia and cervical cancer, are more expensive per dose than traditional vaccines. Reaching children of families that live in remote and isolated households adds to the expense.

Estimates put the cost of fully vaccinating a child at US$25-$45, but even this figure does not take into account non-vaccine costs of delivering the service, training, supervision, monitoring and tracking outbreaks, addressing population demand for services or managing programs. Several studies suggest that non-vaccine costs represent nearly half of the total cost per child.

To ensure every child receives the vaccines they need, governments need to carefully plan and adequately budget for both vaccines and the delivery costs of immunization programs. The delivery cost to vaccinate a child depends on the country, the vaccine schedule, the level of coverage and how services are delivered—whether through campaigns, routine or mobile services and outreach.

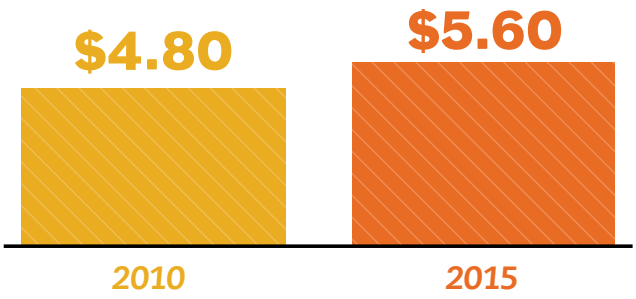
It is encouraging to note that recent data indicates governments are financing a growing share of total immunization expenditures and are less donor dependent.

Vaccines prevent 2-3 million child deaths & 600,000 adult deaths globally each year.

Investment in immunization results in direct health benefits that can contribute to economic development, and help to avoid treatment costs that burden households across Africa.

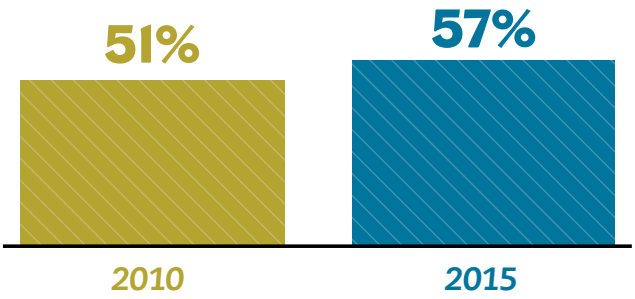
GOVERNMENT SPENDING ON ROUTINE IMMUNIZATION

In the WHO African region, per live birth



THE SHARE OF VACCINE EXPENDITURES FINANCED BY GOVERNMENT

In the WHO African region



Expenditures on health and immunization

Immunization programs are financed primarily from government sources, but can also be supported by insurance schemes and the private sector.

Countries are required to report their vaccine and immunization expenditures annually to the Joint Reporting Form (JRF) of the WHO & UNICEF. These data are used to estimate the Global Vaccine Action Plan (GVAP) indicator of government commitment, which is analysed and compared across countries annually. A recent GVAP report shows that 63% of countries are showing positive trends in increasing financing for immunization. Government spending on average for routine immunization per live birth has now reached US$27, but there are variations by regions (2014 GVAP Annual Report).

In the WHO African Region, government spending on routine immunization per live birth has increased by 43% since 2010—to $5.60 from $4.80 (GVAP report).[1] In addition, the share of vaccine expenditures financed by government has increased over the period to 57% from 51%.

For countries in the WHO EMRO Region, government expenditures on routine immunization rose by 88%, to $23 from $12 per live birth. Government financing of vaccines has remained relatively stable at around 80%. Countries that are not eligible for Gavi support are self-financing the full cost of their immunization programmes.

Sustaining and expanding the gains

While governments have made significant strides to increase funding for immunization programs over the last five years, further commitment is needed to achieve full financing and national ownership of immunization programs. Major challenges to achieving this goal include:

- **Financing new vaccines:** While some countries are procuring and paying for more expensive, newer vaccines (in many cases through the Gavi co-financing mechanism), not all governments are financing the cost of traditional vaccines using national resources even at current low costs. In 2014, 11 countries in AFRO and three countries in the EMRO region fell into this category. In addition, government allocations in most of the middle income countries that are not supported by Gavi alliance are not enough to introduce new vaccines (e.g., PCV, HPV, rotavirus).
- **Reporting expenditures:** Reporting on government expenditures for vaccines and routine immunization is improving, but not all countries are reporting adequately. While the quality of reporting appears to be improving, there are still some gaps in WHO's ability to estimate and report on expenditures.

Efforts to support governments as they overcome these challenges are ongoing. In April 2015, the WHO SAGE endorsed the Middle Income Strategy that is calling for immunization program sustainability to be perceived within a broader and more comprehensive context. This context should include consideration for key critical enablers for immunization gains, including but not limited to financing. These critical enablers consist of four main areas, and were put forward in the MIC Strategy:

- Informed decision-making on vaccine introduction and other areas of immunization policy
- Political commitment and domestic resources for immunization
- Continued demand for vaccines and equity in the delivery of immunization services
- Access to affordable and timely supply

Lessons Learned

African countries are moving at variable speeds toward increased immunization program ownership. At the mid-point in the implementation of the GVAP and Regional Vaccine Action Plans (RVAP), countries need to gradually increase resources for financing the cost of vaccines and service delivery. This includes more funding for training, supervision, monitoring and tracking outbreaks at higher levels than past trends would suggest

As countries move toward full ownership, there are a range of immunization financing and policy options that need to be considered by key partners including:

- Government
- Private sector
- Academia
- Civil society
- Social networks
- Community leaders

[1]These figures represent population weighted averages.

In addition, larger countries could consider targeting subnational governments that could also be a viable funding source. These strategies would build collaboration between national and local governments and help demonstrate the importance of local governments contributing resources toward the cost of routine immunization delivery.

Transparency and accountability must be the standard for governments. National Immunization managers can strengthen their program investment and budgets by tracking and reporting their expenditures in real time, and using this data to prepare successive budget proposals.

Often, key decision makers are unaware of the costs of immunization or the ways their immunization programs are currently financed. Within governments, the separation of investment and recurrent budgets (including the management of these) often results in a lack of clarity around total investments. Donor support may be off-budget and needs to be better incorporated into national plans. Financing for immunization is more challenging at the sub-national level where mayors or governors may not be aware of the benefits of vaccination or the importance of funding the delivery costs.

In a few countries in the AFRO Region, in-year budget reports are increasingly passed to parliamentarians who then champion and safeguard the budgets in annual budget hearings. Ensuring proper oversight – even when budgets are externally financed – is an opportunity to frame immunization as a valuable public good delivered by the government.

Way Forward

Coverage and quality

In order to achieve the required levels of immunization coverage and quality, governments should increase total financial allocation and timely disbursements to immunization, targeted at the districts and regions/ provinces with the lowest coverage. Ensuring timely disbursement and strengthening financial planning and management will be key to success, as well as budgeting based on evidence of cost requirements.

Predictable and sustainable financing

In order to achieve the goal of more predictable and sustainable financing for immunization, better data and information needs to be generated as well as shared and disseminated. WHO and the African Union Commission are the natural conduits for this necessary information flow in African countries. The GVAP includes a fully designed Monitoring and Evaluation/ Accountability Framework, the central indicator of which is government routine immunization expenditures.

The transition to country ownership comes from the top levels of government and can be broken down into a series of changes in financing, budgeting and budget management practices. These institutional changes are observable, and those that succeed should become best practices. In addition to monitoring and feedback of expenditures, partner agencies (WHO, UNICEF, World Bank, Gavi, etc.) can help document and disseminate new best practices among the countries.

[1](Bloom et al 2005. [Bloom, David E., David Canning and Mark Weston. 2005. The Value of Vaccination. World Economics, 6(3): 15-39.]

[2]Aaron S. Wallace, Balcha G. Masresha, Gavin Grant, James L. Goodson,Hailye Birhane, Meseret braham, Tewodros B. Endailalu, Yohannes Letamo ,Amos Petu , Maya Vijayaraghavan: Evaluation of economic costs of a measles outbreak and outbreakresponse activities in Keffa Zone, Ethiopia in Vaccine 2014

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