

TERMS OF REFERENCE

FINANCING TASK FORCE

**As adopted at the GAVI Meeting of the Proto-Board
Seattle, Washington
12-13 July 1999**

Background

Over the last year the key issues confronting a re-vitalized vaccine and immunization initiative were identified through a broad consultation. It is expected that this will lead to the launch of a new global partnership in the fall of 1999. The objective of the new coalition is to reduce vaccine preventable disease by making new vaccines of public health importance available to all, and the specific goals are:

- Improved access to sustainable immunization services,
- Expanded use of all existing cost-effective vaccines,
- Accelerated development and introduction of new vaccines, and
- Expanded R&D efforts for vaccines and related products needed especially for developing countries

The key issues include the need to address financing, strengthen advocacy for immunizations, strengthen co-ordination at the country level and strengthen research and development for priority vaccines in developing countries. Three Task Forces have been established on advocacy, global financing and country level co-ordination and a Task Force on R&D is being reviewed.

The Task Force on Financing will be responsible for increasing the understanding of why there is inadequate funding for vaccines and immunisation in the poorest countries and identifying and assessing strategies which will improve the capacity of countries, donors and development Banks to finance the improvement and expansion of national immunisation programs. The task force will also identify and assess strategies for stimulating research development required for the production of new vaccines especially targeted for use in the developing world.

Addressing the financing gap requires the involvement of all the partners in immunization including ministries of finance, ministries of health, Bilaterals, industry, WHO, UNICEF, NGOs such as the Gates CVP or Rockefeller, and development Banks. Financing of immunization varies tremendously from country to country. Some governments are financing all of the national needs and give a very high priority in the budget to vaccine and immunization needs. Other countries rely heavily on donors even when there is no promise of long-term support. The importance of external financing varies widely depending on the country's relative and absolute capacity to finance their needs, particularly the introduction of new vaccines.

Addressing the financing gap will likely be a combination of the following:

1. increasing national budgets and mobilizing additional in country resources by examining options such as community based prepayments, cross subsidization from other programs, insurance programs, increased contributions from local governments, increase participation of NGOs and the private sector, and improved program management and efficiency, to finance national needs given the differing wealth of countries and exploring ;
2. targeting donor resources towards the neediest countries and highest priority vaccine or infrastructure uses;

3. increasing the awareness and use of credits and loans available for immunization priorities through health projects with the World Bank or the regional development Banks;
4. identifying and developing new financing mechanisms such as a Global Fund;
5. exploring strategies to ensure vaccines are “affordable” for countries given differences in wealth;
6. Ensuring new vaccines are developed and scaled-up in ways that enable “affordable” prices to be set.

Task Force membership

USAID – co-leader

World Bank – co-leader

Developing country representative (s)

Representative from Industry (2)

UNICEF

WHO

Gates CVP: cost-effectiveness expert

Health economists: academia

Process

The Task Force members, with the World Bank and USAID co-leading, will be responsible for developing a global agenda and a workplan to address the question posed to the Task Force. The Task Force will ensure the priority activities outlined in the Agenda are addressed through the partner agencies. The Task Force will monitor progress against the Agenda and will periodically review and revise the Agenda. The Bank and USAID, with other partners will identify a coordinator to manage the Task Force, share information, organize meetings, and do research and analysis as requested by the Task Force. The Task Force is expected to meet roughly four times per year. Core members will be requested to attend all Task Force meetings and specialists will be invited to participate in meetings addressing specific topics. The Task Force is expected to be in existence for a limited duration and will review its role and terms of reference in one year’s time.

Support for the Task Force will be provided by the Secretariat.

Outcomes/outputs

Short term

In preparation for the proposed launch of the Global Coalition, the Financing Task Force will prepare an estimate of the costs of each of the quantified milestones. It is still unclear the role of the Task Force vis-à-vis the development of the Global Fund.

Long term

The Task Force is responsible for identifying, analyzing and providing recommendations on financing policy issues and for identifying and potentially filling information needs in the financing and economic domain. The Task Force will periodically review the range of financing issues which need to be addressed and, through a prioritization exercise, develop the Task Force’s workplan for the coming 1-2 years. The preliminary list of issues which the Task Force should address include:

Increase affordability and availability of vaccines

- Analysis of options for stimulating research and develop of products targeted for use in the developing world;

- Identification and analysis of new and existing mechanisms for ensuring vaccines are affordable for the children in the poorest countries (including market segmentation and differential pricing);
- Analysis of current constraints to vaccine procurement;
- Review and identification of new procurement options;
- Analysis of methods of influencing production costs

Increase National Investments in immunization programs

- Assessment of option available to countries to use to sustainably increase national funding of immunization programs;
- Assess the utility of targets for expected minimum levels of financing responsibility from governments and other national sources;
- Development of a module providing guidance on the key financing components to be assessed in an immunization program;
- Analysis of the role and impact of existing expenditure review mechanisms such as public expenditure reviews and national health accounts;
- Identification of mechanisms to ensure that the data necessary for financial decisions at the country-level (e.g. cost-benefit) are available;
- Assessment of financial impacts of health reform strategies on national immunization programs;

Optimization of external investments

- Development and implementation of new international mechanisms for financing immunization programs;
- Assess the utility of establishing targets for external funding of immunization programs given the country and the component of the program to be supported (e.g., vaccines or infrastructure)
- Identify and disseminate information on Best Practices for financing such as the World Bank project in Bolivia;
- Analysis of the implications of donor financing patterns and approaches;
- Identify mechanisms and/or workplan to assess resource flow patterns and their impact;
- Establishment of mechanism to ensure that that data needed for decisions related to financing (e.g., cost benefit analysis, vaccine forecasts) are available;

Areas which are NOT the responsibility of the Task Force

Fund Raising (a collective responsibility)

Data collection for monitoring (responsibility of the GAVI Secretariat to explore)