Policy **Brief** 14

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GAVI (Global Alliance for Vaccination) INTERVENTION IN A STRONGLY CENTRALIZED HEALTH SECTOR

1. KEY-MESSAGES

- GAVI's financing full integration into Mozambique's PFM system and e-sistafe represents an important asset, together with the absence of 'policing' (i.e. 'heavy control and external audit mechanisms imposed by the donor'), which is 'detrimental to confidence building among partners'. Nevertheless, this integration should It be further strengthened by including other international health financing partners, and by improving its coordination mechanism, the Inter-Agency Coordinating Committee (ICC);

- The bureaucracy and heavy procedures, including the strong centralization of the health sector, not only reduces the efficiency of GAVI-supported interventions (particularly at subnational level), but also results in high transaction costs and slower reporting and monitoring feedbacks. Therefore, the MoH should support and take action on the decentralisation efforts;

- The occasional delays in the transfer of funds disbursed by GAVI to government, from the National Treasure Directorate (NTD) to MoH, as well as the weak effectiveness of the ICC, the high-level coordination forum for dialogue and decisions on all matters related to immunization programme governance, strategic direction, planning and policy impacts the budget execution with consequences on service delivery. Therefore, GAVI should follow strictly the national planning and budgeting cycle in order to avoid disruption in the implementation process;

- The introduction of the new decentralization paradigm1, where the Health Province Directorate (HPD) under the Decentralised Provincial Government (OGDP)2 shares responsibility with the Provincial Health Service (PHS)3) that falls under the Representative of the State in the Province (REP)4. This may not only affect GAVI support, but the health sector and its funders in general. Therefore, in the ongoing decentralisation process, the Government should take in to consideration the risk of institutional fragmentation that, in a worst-case scenario, could lead to cuts and or the retention of funds destined for provincial health activities;

- The Global Fund is being very successful in granting ownership of the program processes to the MoH. Nevertheless, the same cannot be said to side of CSOs, which perceived themselves as excluded, when compared to GF and, in a lesser extension, the GFF both with platforms and guidelines for CSOs engagement. GAVI Should use this experience to put in place its own platform for CSOs participation, including the opening of space for them to deliver services, use the Community Led Monitoring on immunization as well as hold an annual meeting involving all partners - a widespread practice in the sector.

1. For a critical analysis, see Weimer (2021) (OGDP)
2. Órgão de Governação Descentralizada Provincial
3. Serviços Provincial de Saúde (SPS)
4. Representação do Estado na Provincia (REP)

2. EXECUTIVE SUMMARY

GAVI is considered by many observers as one of the most integrated financing mechanisms in the country's Public Finance and Management system. Nevertheless, some challenges need to be tackled such as the delays in the fund's disbursement, highly centralized MoH, weak coordination platform and CSO exclusion. The present policy brief suggests measures and actions to enhance the GAVI's efficiency in terms of quality of services and reach of the immunization programs.

3. BACKGROUND

The Global Alliance for Vaccination (formerly the Global Alliance for Vaccines and Immunization) has been supporting MISAU since GAVI's inception in 2000 with an exclusive focus on immunization. GAVI was established in 2000 as an international organization covering 'public and private sectors with the goal of saving lives and protecting people's lives through increasingly equitable and sustainable immunizations'[5]. The Alliance partners include WHO, UNICEF, the WB and the Bill and Melinda Gates Foundation (BMGF), with industrialized countries the main donors6 . Other members are governments in the global South, and above all, pharmaceutical companies and vaccine manufacturers.

GAVI differs from PROSAÚDE and the World Bank's 'classical' approach to development financing via International Bank for Reconstruction and Development (IBRD) loans and International Development Association (IDA) grants in two ways. The first is the private public partnership model said to 'capitalize on the sum of the partners' comparative advantages. Secondly, GAVI's business model involves 'pooling demand for vaccines from the world's poorest countries', securing long-term funding and shaping viable vaccine markets, thus 'accelerating access to life-saving vaccines in the countries that need them the most'7.

GAVI support has four strategic goals: a) the 'vaccine goal', reflecting its core business[8], b) the Health System Strengthening (HSS) goal ('equity goal') to increase equity in immunisation through support for well-managed, sustainable primary healthcare and c) the 'sustainability goal', to promote the mobilization of domestic support and financial resources for immunization. Finally, GAVI also pursues the 'healthy markets goal' i.e. shaping and developing 'healthy' markets and demand for vaccines for which a specific healthy markets framework was jointly developed by the GAVI Secretariat, UNICEF and the Gates Foundation.

Since the outbreak of the Covid 19 pandemic, GAVI is co-leading COVAX, the vaccines pillar of the Access to Covid 19 Tools (ACT) Accelerator. This involves coordinating the COVAX facility, a global risk-sharing mechanism for pooled procurement and equitable distribution of Covid 19 vaccines.

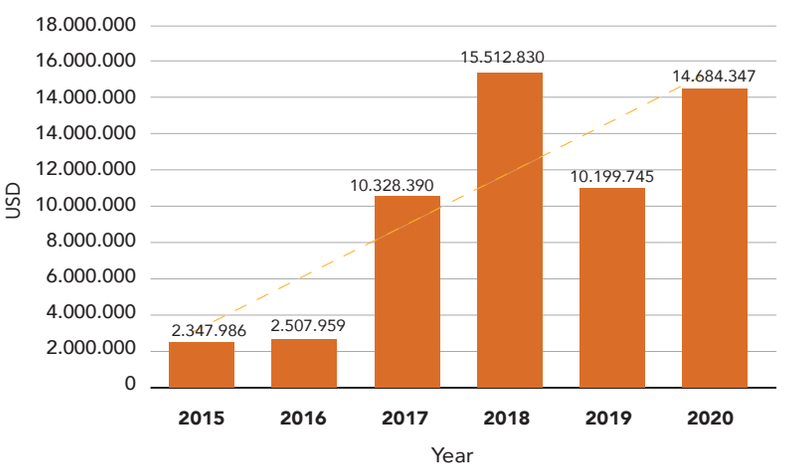
5. https://www.gavi.org/our-alliance
6. For the 2021-2025 planning cycle, US$ 8.8 billion was raised for the funding cycle 2021 to 2025 with the UK, BMGF, the US and Norway the main donors.
7. https://www.gavi.org/our-alliance/operating-model/gavis-partnership-model
8. The immunization portfolio includes the following vaccines human papillomavirus (HPV); inactivated polio (IPV); Japanese encephalitis (JEV); meningococcal A; measles and measles-rubella (MRV); pneumococcal conjugate (PCV); pentavalent (PV); typhoid; oral cholera (OCV); rotavirus (RV); and yellow fever (YFV). Source: https://www.gavi.org/programmes-impact/types-support/vaccine-support

4. TRENDS OF GAVI'S FUNDING

GAVI's interventions are aligned with the national Comprehensive Multi-Year Plan (cMYP) 2020-2024 for vaccination that guides investments and the strategic directions for immunization programmes (MISAU, 2020a). The accumulated GAVI budget of approximately US$ 260 million spent between 2000 and 2019 on cash and non-cash support benefitted vaccinations (roughly 90%) with support for strengthening the sector having a minor but albeit recently increasing role over that period (approximately 10%). GAVI has been the largest donor to immunisation, providing an average US$ 29 million per year over the period 2014-2018. Government expenditure on vaccines as a percentage of total expenditure on vaccines has been around 20% while government expenditure as a percentage of total expenditure on routine immunization has equally been around that mark (MISAU, 2020a). GAVI supports MoH using the on-CUT modality. Between 2015 and 2020 GAVI contributed about 10% of the total external budget support to the Mozambican health sector, delivered on-CUT.

Figure 1 below gives the annual GAVI funding for the sector and its evolution. Total spending was US$ 55.6 million, with an annual average of US$ 9.2 million over this period.

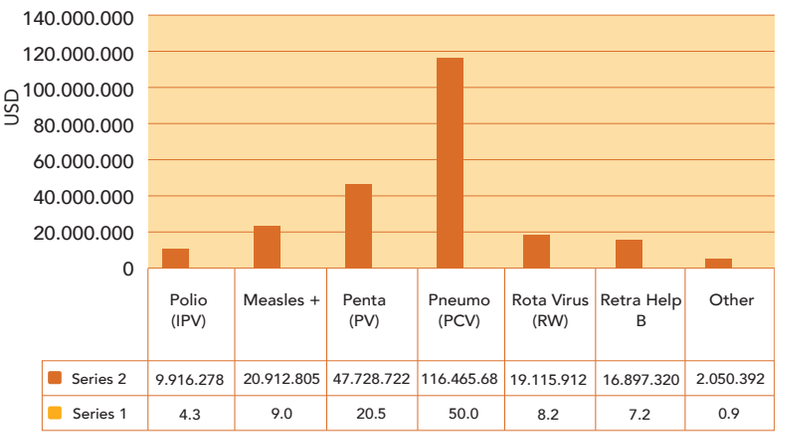
Figure 1: GAVI budgets - Updated allocation 2015-2020 (in US$)



Source: Based on e-sistafe data. The conversion MZN to US$ is based on the annual average exchange rate as per https://tradingeconomics.com/mozambique/currency

Some US$ 233 million were made available for vaccinations between 2000 and 2019. Figure 2 shows that about 50% was spent on immunization against infections caused by bacteria Streptococcus pneumoniae, followed by pentavalent vaccine support[9]:

Figure 2: GAVI vaccine support (disbursed), 2000-2019, by type of immunization (in US$ and %)



Source:https://www.gavi.org/programmes-impact/country-hub/africa/mozambique

GAVI's financial support to the various sub-programmes (vaccination, health sector strengthening, campaigns, etc.) results from a matching funding arrangement, as it is supplementing the government's own contribution to GAVI financed programme of about 10% of its total cost. This is in addition to government's own contribution to routine vaccinations. This co-financing commitment is guaranteed annually through the inclusion of a specific line in the MoH budget. Mozambique has never defaulted on this funding. This is in addition to the government's own financial resources for routine vaccinations. This co-financing contribution assures ownership and voice by government and the preparation of the Expanded Programme of Immunization (EPI) annual plan is led by MoH and partners, observing certain agreed parameters (priority districts/activities).

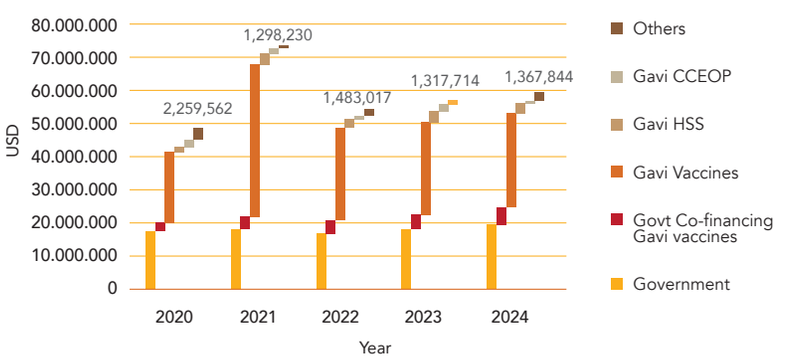
9. Also called 5-in-1 vaccine, it protects against diphtheria, tetanus, whooping cough, hepatitis B and haemophilus influenzae type B.

Like PROSAÚDE, GAVI also sees the need to decentralize vaccination. To give an example, GAVI funding, including for MRV (measles vaccinations), for 2020 was allocated at the ratio of 50:50 to MoH and all of the Provincial Health Directorates (DPS)[10] in the country[11].

Figure 3 shows the projected secured funding for vaccinations over the 2020-2024 period. The projected average annual funding gap between secured and needed funds is estimated at 7.6%.

In addition, GAVI's Targeted Country Assistance (TCA) finances smaller individual projects, such as support for MoH's Health Information System implemented by organisations contracted individually by GAVI. The amount available for TCA is determined by GAVI and, based on a Joint Appraisal (GAVI, MoH, partners), technical assistance requirements for the coming year are agreed. TCA partners then submit proposed activities to GAVI and EPI, with the latter responsible for the final negotiations and selection of successful TA providers. Such additional projects may be delivered off-budget.

Figure 3: Vaccinations: Projected secured funding, 2020-2024, by source (in US$)



Source: Based on MISAU (2020a), Annex 3.

GAVI funds a small grant management team that is fully embedded in MoH's administrative structure. All positions are remunerated on the government's salary scales with topping up, except for the HSS focal point. In addition to the latter, the team comprises a financial advisor and three other members serving as advisors for GAVI activities in the three regions of the country (Southern, Central and Northern Mozambique)[12]. GAVI's country representative (senior country manager) for Mozambique is based in Switzerland. Regular monitoring against performance criteria in the five-year country programme is assured. The Immunization Technical Working Group (with 4 sub-working groups) established by MoH and its regular monitoring of immunization plans and partner progress against plans as well as decision-taking on technical and programmatic matters and corrective action, based on analysis by sub-working groups, is an important asset. In addition, there is a regular external monitoring agent (at present a Germany-based consulting company) as well as regular reporting through quarterly and annual reports.

5. GAVI'S INCEPTION IN NATIONAL PFM SYSTEM

From MISAU's perspective specific focus GAVI is well embedded in the National Health System (NHS), which keeps government in the driving seat. Proposals submitted to GAVI for support through its specific immunization programmes for HSS and for other associated activities depend entirely on MoH's own initiative. They are well aligned with the EPI's cMYP. The full integration of GAVI financing into Mozambique's PFM system and e-sistafe is considered another asset[13], together with an absence of 'policing' i.e. 'heavy control and external audit mechanisms imposed by the donor', which is 'detrimental to confidence building among partners'. It could be further strengthened by including other international health financing partners, and by improving its coordination mechanism, the Inter-Agency Coordinating Committee (ICC) that, according to MISAU (2020), 'has been less than optimal to fulfil its mandate and government has taken more interest in revamping'.

10. Direcção Provincial de Saúde (DPS)
11. Source: calculations on the basis of e-sistafe data. The DPS share also includes a small budget for CMAM.
12. A local company for financial management contracted by GAVI has been replaced by an individual advisor in the ministry. Sometimes UNICEF or WHO's competence and services are used for procurement and making specific and urgent payments.
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6. THE CENTRALIZATION OF HEALTH SECTOR AS SOURCE OF HIGH TRANSACTION COSTS

As for all other health programmes, one of the key challenges is a structural one: the relatively low salaries of civil servants that may affect their motivation, productivity and may feed into corrupt practices of embezzlement and misappropriation of funds destined for non-salary recurrent expenditure. This is particularly true under the work stress created by the Covid 19 pandemic, which demanded dedication and overtime work by health staff, who complained about lack of equipment and inadequate remuneration. Furthermore, the bureaucracy and top-heavy procedures plus the strong centralization of the health sector not only reduces the efficiency of GAVI-supported interventions (particularly at subnational level), but also results in high transaction costs and slower reporting and monitoring feedbacks. Other matters of concern are the occasional delays in the transfer of funds disbursed by GAVI to government, from the National Treasure Directorate (NTD) to MoH as well as the weak effectiveness of the ICC, the high-level coordination forum for dialogue and decisions on all matters related to immunization programme governance, strategic direction, planning and policy. An evaluation of GAVI for the period 2013-2016 showed that, within a solid overall framework, further improvements are possible e.g. in the management of medicine procurement by the CMAM and the roll-out of vaccines (e.g. training health staff). It is also felt that the GAVI Secretariat should better align with government's fiscal rules when disbursing cash grants or ensuring timely supplies of inactivated polio vaccines (IPV) where these have been introduced (GAVI, 2016).

7. GAVI'S ENGAGEMENT WITH CIVIL SOCIETY ORGANISATIONS (CSOS): THE MISSING DOT

A part from the problems mentioned in the previews paragraph regarding coordination and delays in funding transfer, the other aspect needing attention is the exclusion of national CSOs. Contrary to Global Fund – which has the Country Coordination Mechanism with strong participation of CSOs – and Global Financing Facility – which promotes Joint Learning Agendas through partners, GAVI do not have any platform to interact with civil society. The lacking of a vehicle for engagement as a twofold consequences: (i) the mechanism misses the opportunity gather more evidence from community – collected through social accountability tools – either on impact of vaccination campaigns or the community needs in terms of immunization; (ii) GAVI also misses a reliable partner in helping the Government to enforce the transparency and accountability procedures, assuring the value for money of its funding and bolstering efficiency allowing the sector to reach the last mile in terms of accessibility of vaccines.

While there are differences in the two mentioned examples, the Global Fund is very successful in granting that the ownership of the program processes is not solely owned by the MoH and in involving the CSOs in the service provision. Contrary to GF, the GFF in Mozambique is in its first cycle and is learning to open for participation following its guideline on CSOs engagement with the mechanism. GAVI may use those experiences drafting a Manual for interaction with national CSOs working in the health sector, including the introduction of Community Led Monitoring on immunization as well hold an annual meeting involving all partners, a widespread practice in the sector.

8. CHALLENGES FOR GAVI'S INTENTION TO DECENTRALIZE VACCINATIONS

GAVI's intention to decentralize vaccinations via funding for the Health Province Directorates (HPD) might be challenged by the introduction of the new decentralization paradigm[14], where the HPD under the Decentralised Provincial Government (OGDP)[15] shares responsibility with the Provincial Health Service (PHS)[16]) that falls under the Representative of the State in the Province (REP)[17]. This may not only affect GAVI support, but the health sector and its funders in general. The risk is that the sector could suffer institutional fragmentation that, in a worst-case scenario, could lead to cuts and or the retention of funds destined for provincial health activities e.g. supported by USAID (Weimer, 2021).

Another challenge that GAVI and its support for Mozambique may face, is general and not necessarily specific to Mozambique. Firstly, international NGOs have criticized the programme for not having a strategy for reaching the poorest children, particularly in fragile states such as Mozambique, and because there is an unresolved intrinsic conflict of interest of the pharmaceutical companies represented on GAVI's Board, which could lead to the unsustainable sale of vaccines to poor countries that cannot afford them[18]. This poses the further question of the extent to which GAVI's strategic goal of 'healthy markets' is realistic in poor and fragile countries such as Mozambique. A 'healthy market' for vaccines in Mozambique with paying clients and patients on the demand side may, for the time being, be a supplier rather than a demand-driven market, with its offer largely financed by external stakeholders in partnership with government as a junior, albeit consistent, funding partner. A strategic co-option of additional funders into the established GAVI mode of cooperation's would reduce the risk of a partial collapse of the EPI, should the current main funders reduce their contributions, for whatever reasons.

This is particularly true in the case of Covid 19 vaccinations, the second major challenge. A particularly demanding test case for GAVI in Mozambique is the supply of Covid 19 vaccines, where GAVI is part of the COVAX initiative and has self-assumed responsibility for mobilization and distribution of vaccines. So far, according to 2020 budget data19, GAVI has only registered some MZN 70 million (equivalent to about US$ 1 million) to the health sector for operational costs related to anti-Covid 19 measures, although additional funding has been mobilized through the Clinical Decision Support (CDS) funding streams and for COVAX-related TA. It remains to be seen to what extent GAVI and its stakeholders will be able to reconcile the needs of Mozambique and other poor countries in the global South with the fact that 'progress towards vaccination goals remains slow because competition — not cooperation — continues to drive the global pandemic response', with 200 million doses allocated to African nations through COVAX, but only 88 million received as of October 202120.

14. For a critical analysis, see Weimer (2021) (OGDP)
15. Órgão de Governação Descentralizada Provincial
16. Serviços Provincial de Saúde (SPS)
17. Representação do Estado na Provincia (REP)
18. Sarah Broseley, Vaccines and Immunization: Analysis: Vaccine programmes come under the microscope. The Guardian, 06/06 2006. https://www.theguardian.com/society/2011/jun/06/analysis-vaccination-programmes.

19. Source: CEDSIF, e-sistafe data for 2020 (dotação actualizada)
20. https://www.one.org/africa/issues/covid-19-tracker/explore-vaccines/

9. CONCLUSIONS

From a Mozambican perspective, it is concluded that MoH staff, in particular, see GAVI as an essential and much appreciated specialized programme supporting the NHS, well embedded in MoH and its financing architecture, aligned to a high degree with national procedures and with national ownership. GAVI's special focus on immunization and its strong integration into MoH and the national PFM system, together with its cost-efficient implementation, make for a good and trusted partnership, the aforementioned structural challenges notwithstanding. The GAVI 'rules of the game' with an emphasis on the use of domestic planning and budgeting systems are considered 'strict but flexible'. GAVI have a cooperative approach in managing its relations with MoH, opening itself to mobilize additional resources, e.g. by promoting cooperation and financing possibilities with foreign non-state actors (NSA) such as the Clinton Health Access Initiative (CHAI)[21] or Oslo University in Norway (in the area of health information systems).

The overall positive assessment by both local stakeholders and evaluators largely corresponds to a global evaluation of GAVI commissioned by the UK government in 2010. It showed that the strong points were multi-year commitments, flexible financing options, a transparent allocation system and strong financial oversight. These together produced a highly cost-effective health intervention (UK Government, 2011).

21. CHAI collaborates with MISAU in the area of treatment and diagnosis of HIV for children, cold chain systems for the supply of vaccines and the prevention of malaria (https://www.clintonhealthaccess.org/mozambique/)

10. REFERENCES

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