

Perspectives on Vaccine and Poverty Reduction

***Global Vaccine and
Immunization Research Forum
March 2014***



THE WORLD BANK

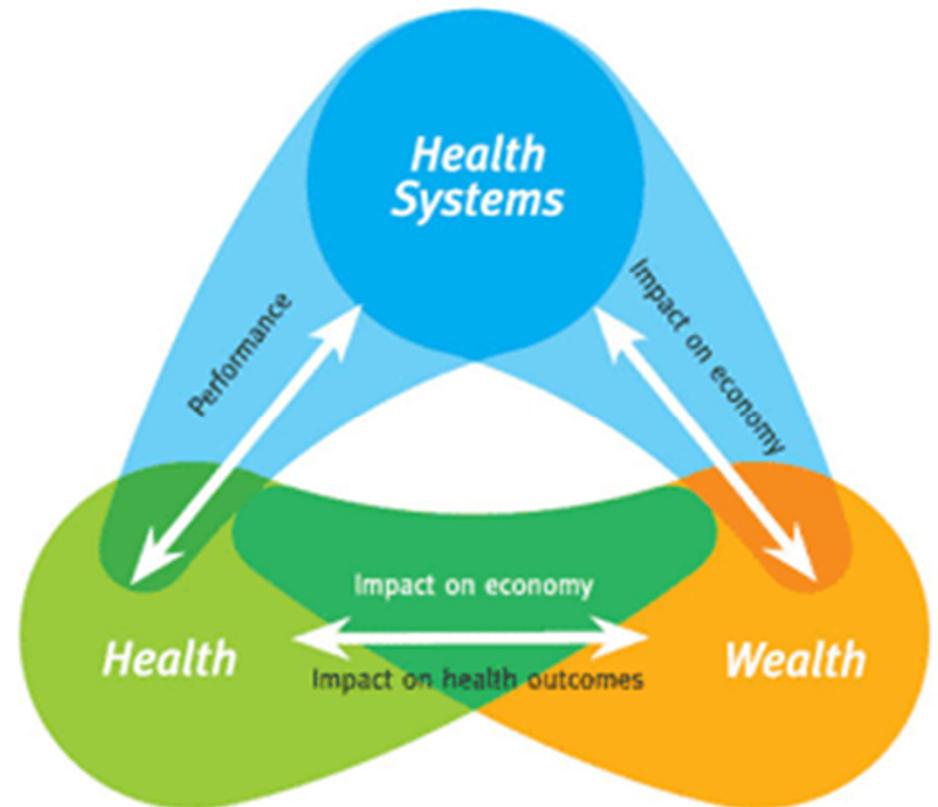
Outline

- Universal Health Coverage: A Health and Development Priority
- Role of the Bank in Immunization
- Existing Programs and Partnerships
- Future Directions

Universal Health Coverage: A Health and Development Priority

Links Between Health and Wealth

- 100 million people impoverished by medical expenses each year
- 24% of “full income^{*}” growth in developing countries from health improvements
- 10% increase in life expectancy associated with 0.4% increase in annual economic growth



WHO Euro: Tallinn Conference 2008

Healthcare is not an expenditure, but an investment

*Full income is defined as the sum of the income growth measured in the national income accounts, plus the value of the change in mortality in that period

The Dual Case for Universal Health Coverage

When all people have access to quality, affordable healthcare without undue financial hardship...



Better health outcomes

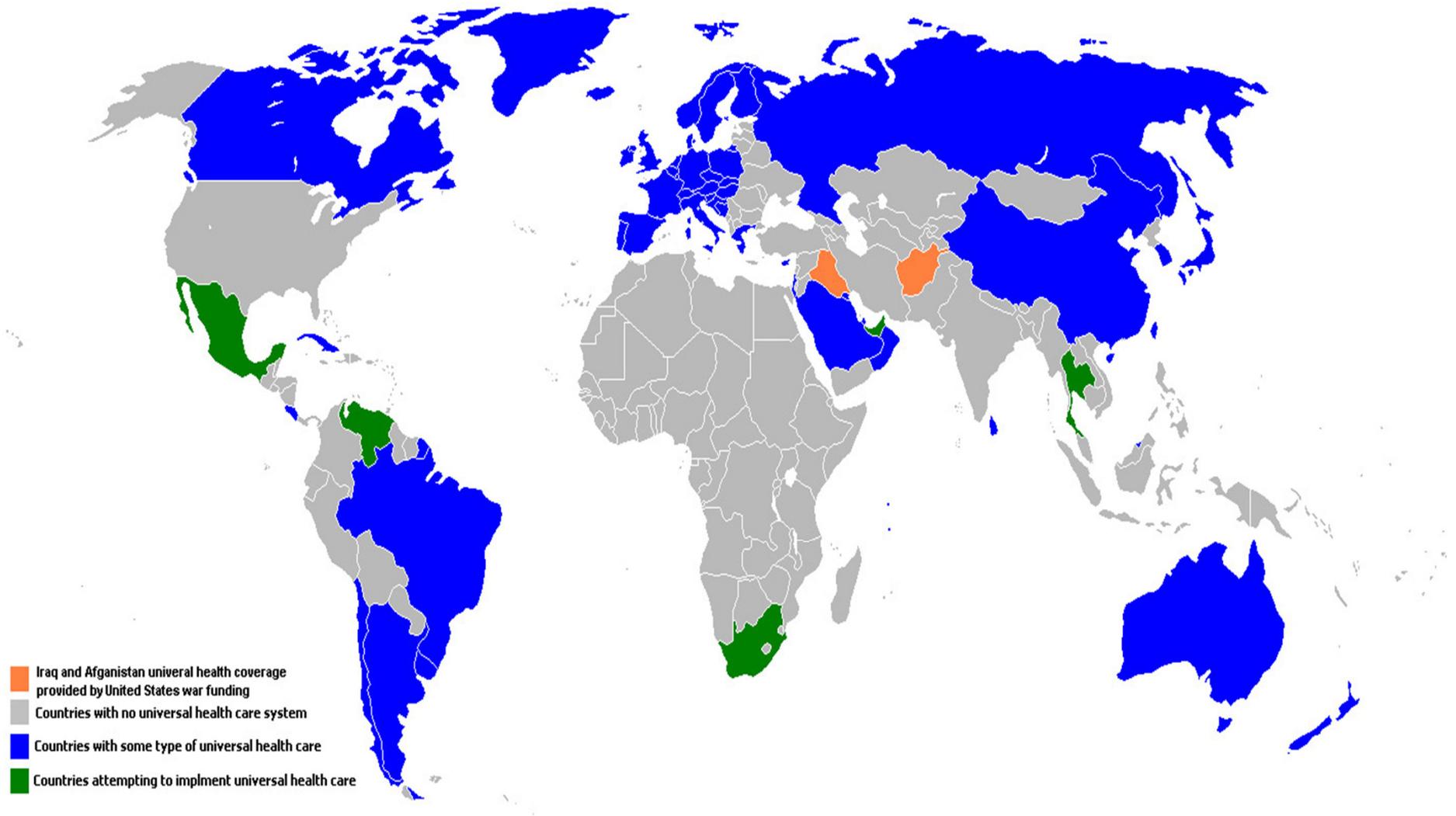
Better development outcomes



Reduced poverty and hardship

Increased productivity and equity

UHC Remains Scarce

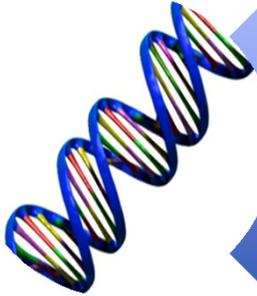


Role of the Bank in Driving UHC

Twin goals: poverty reduction and shared prosperity by 2030 – how does UHC contribute?

- For **financial protection**, by 2030, no one should fall into poverty because of out-of-pocket health care expenses.
- For **service delivery**, the Bank Group and WHO propose to double the proportion of poor people in developing countries who have access to basic health services, by 2030.

How we will do it



Science of Delivery

- a rigorous and systematic focus on outcomes, and how to achieve them
- Documenting, evaluating, and sharing lessons
- Demonstrating value for money



Global Practice

- “Reverse Innovation”: adopting from abroad and implementing locally
- Increasing aid effectiveness through collaboration, partnerships, and leveraging funds



Accountability

- Making UHC policies and programs accountable and measurable
- Tracking progress, not inputs: results-based financing
- Bank-WHO joint framework on monitoring progress (financial protection and service delivery)

Bank-IDA \$12B Health Investment Portfolio

- Focus on health system strengthening in a fiscal and multisectoral context
 - At least \$700M by 2015 for women and children's health
 - At least \$600M for maternal and early childhood nutrition
- Results (past decade): provided >117M people access to essential health services
 - **Rwanda**: increase in health insurance enrollment from 7% to >70% of population
 - **India**., the national AIDS program prevented 3.5 million HIV infections
 - **Armenia**: population served by qualified family medicine practices increased rom 17% in 2004 to 85% in 2010

Unique Commitment to Multisectoral Approach

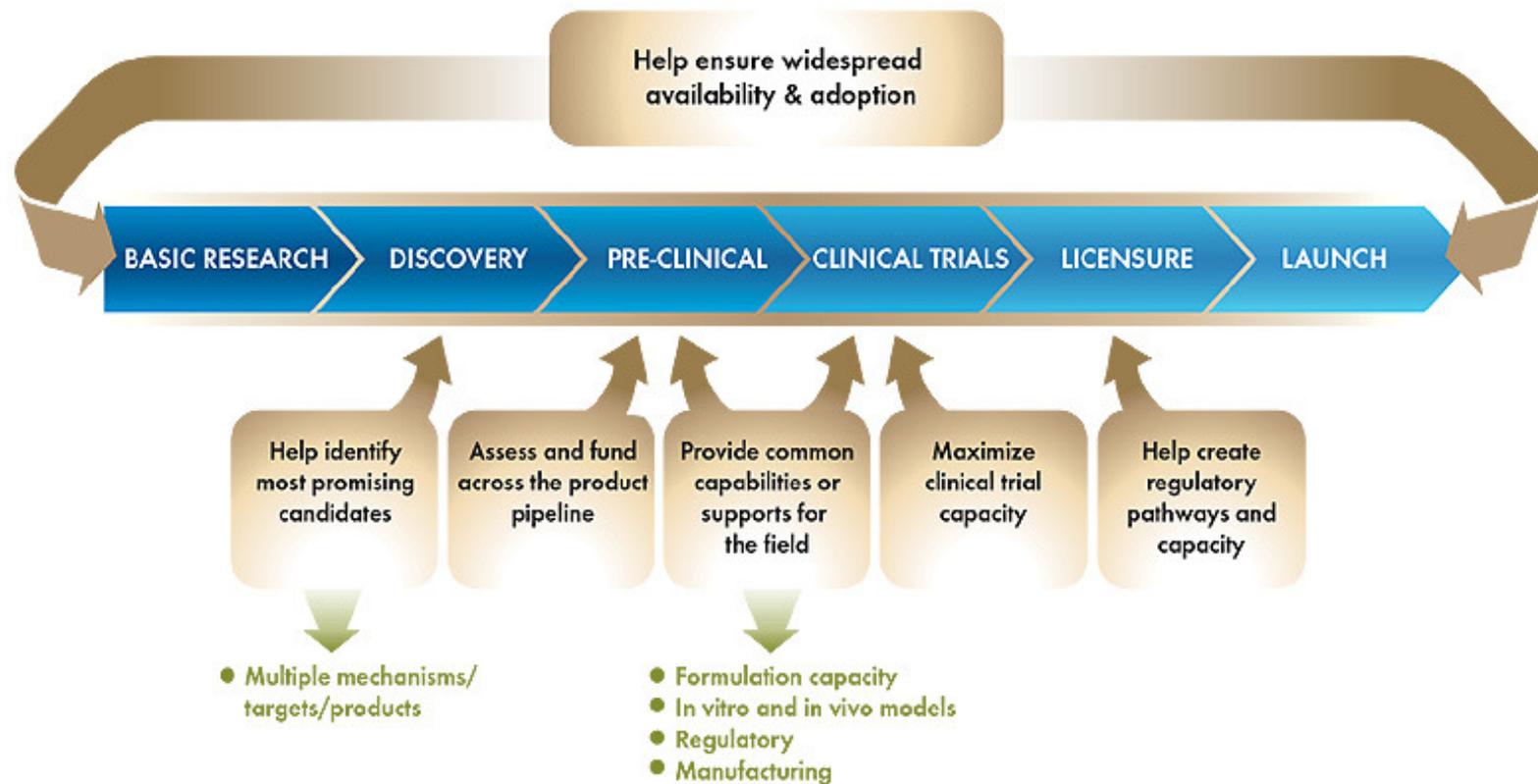
- Investing in strengthening country systems that are also vital to effective vaccine and immunization delivery
 - Sanitation systems
 - Potable water
 - Affordable nutrition
 - Accessible transport
 - Governance
 - Regulation of the Pharmaceuticals and Commodities market
- Key Results (over past decade)
 - 500k improved community water points
 - 5.8M people provided access to 600k improved sanitation facilities
 - 26M people provided access to all-season road

Bank's efforts in strengthening research and delivery systems for Immunization

Bank's efforts in strengthening research and delivery systems for Immunization

- Address market failures in R&D
 - Product development partnerships
- Mitigate inefficiencies in global financing
 - Innovative financing instruments
 - Partnership with the GAVI Alliance
- Strengthen delivery of immunization services in countries
 - Results Based Financing (RBF)
 - Partnership for Polio eradication
 - Analytic work and policy dialogue in sustainable health financing

How PDPs Work



Product Development: IAVI

- International AIDS Vaccine Initiative
 - Established in 1996 as product development partnership for HIV vaccines
 - Pursues neglected approaches for **game-changing** vaccine development
- Key Initiatives
 - Vaccine candidate R&D
 - Immunization policy analyses
 - HIV prevention advocacy
- Bank a founding supporter and annual funder
- From 2010-15, \$10M being administered by Bank towards development of HIV vaccine



The WHO Health System Framework

System Building Blocks

- SERVICE DELIVERY
- HEALTH WORKFORCE
- INFORMATION
- MEDICAL PRODUCTS, VACCINES & TECHNOLOGIES
- FINANCING
- LEADERSHIP / GOVERNANCE

ACCESS
COVERAGE



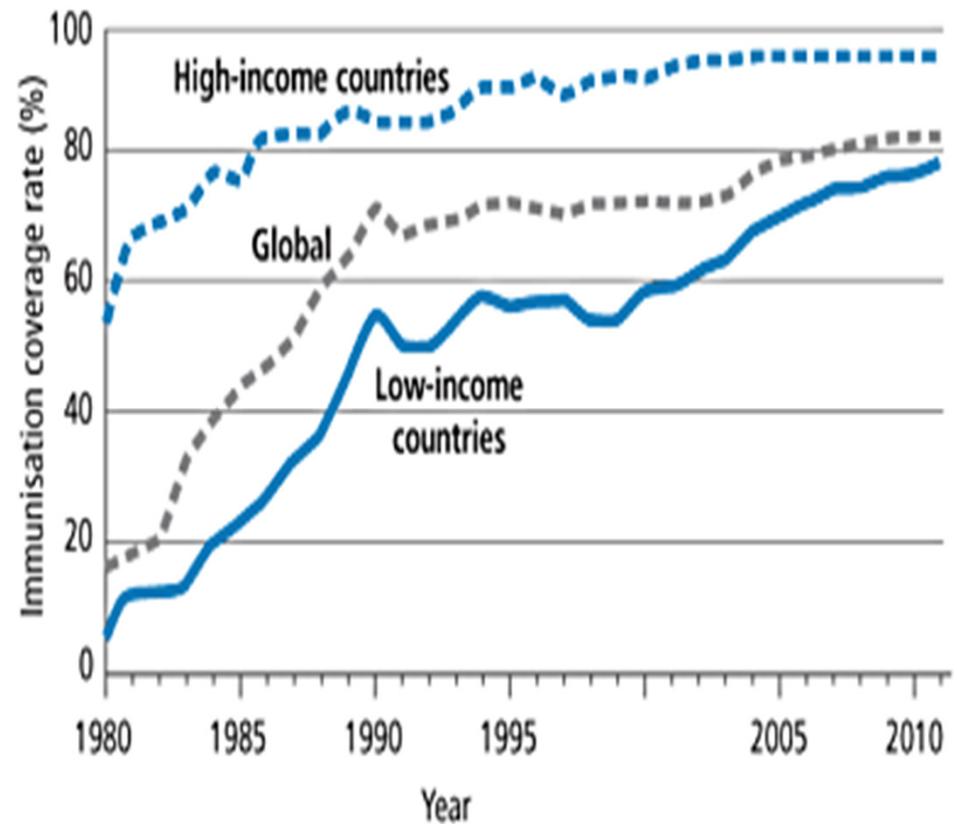
QUALITY
SAFETY

Overall Goals / Outcomes

- IMPROVED HEALTH (level and equity)
- RESPONSIVENESS
- SOCIAL & FINANCIAL RISK PROTECTION
- IMPROVED EFFICIENCY

Vaccines: A Clear Public Health “Best Buy”

- Estimated cost of less than \$500/DALY
- Expanding vaccine coverage: yield 18% rate of return by 2021
- Drivers of global increase in immunization
 - Increased affordability
 - Coordinated efforts
- Challenge to financial sustainability: more expensive vaccines



Immunization Financing: GAVI Alliance

- GAVI Alliance: Preeminent grant financier of immunization globally
 - Immunizing 250M children in 50 countries by 2015 (total of \$7.6B)
 - 4 strategic goals
 1. Improving Vaccine Markets
 2. Strengthening Health Systems
 3. Innovative Financing
 4. Active Market Shaping
- World Bank is a founding partner and member of the GAVI Alliance Board
- Innovative financing instruments
- Domestic resource mobilization for health including immunization
 - Co-development of immunization financing tool-kit
 - Country specific economic analyses

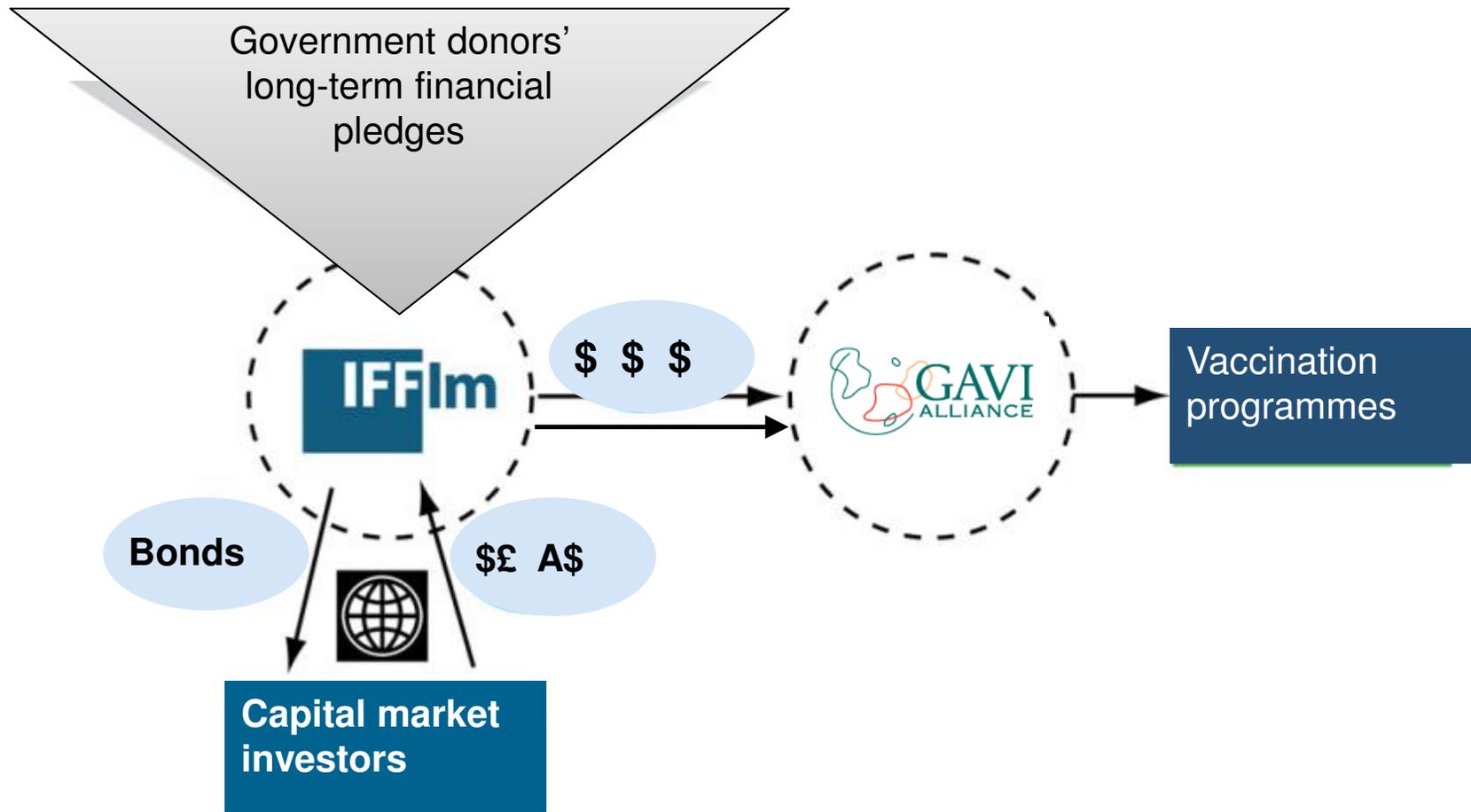


Saving children's lives and protecting
people's health by increasing access
to immunisation in poor countries

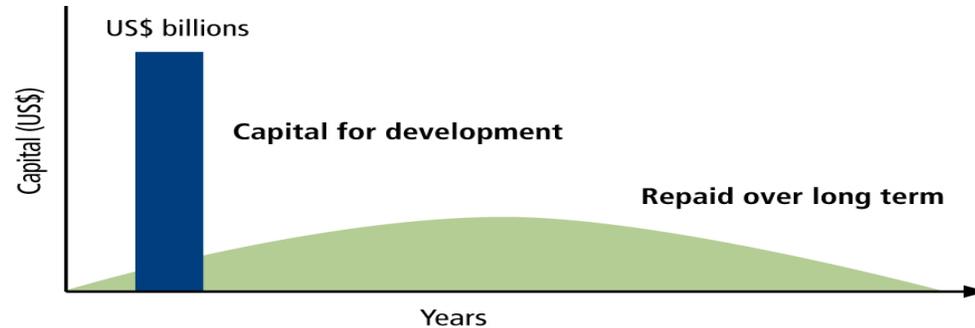
World Bank's Innovative Financing: Transformative Mechanisms for Supporting GAVI

- Two innovative financing mechanisms that have contributed **one-third of GAVI's financial resources from 2000 to 2010.**
- International Finance Facility for Immunisation (IFFIm)
 - Issues bonds to fund immunization efforts
 - Leverages long term government financing pledge
 - Has raised **US\$4.55 billion which IFFIm has used to fund GAVI programs and refinance its debt**
- Advance Market Commitment
 - offer agreement for vaccine manufacturers to supply a proportion of the targeted demand at a maximum price
 - Successful \$1.5B 2010 pilot with pneumococcal vaccine price for US\$3.50. This is more than a 90 percent reduction from industrialized country prices in 2009.

International Finance Facility for Immunization

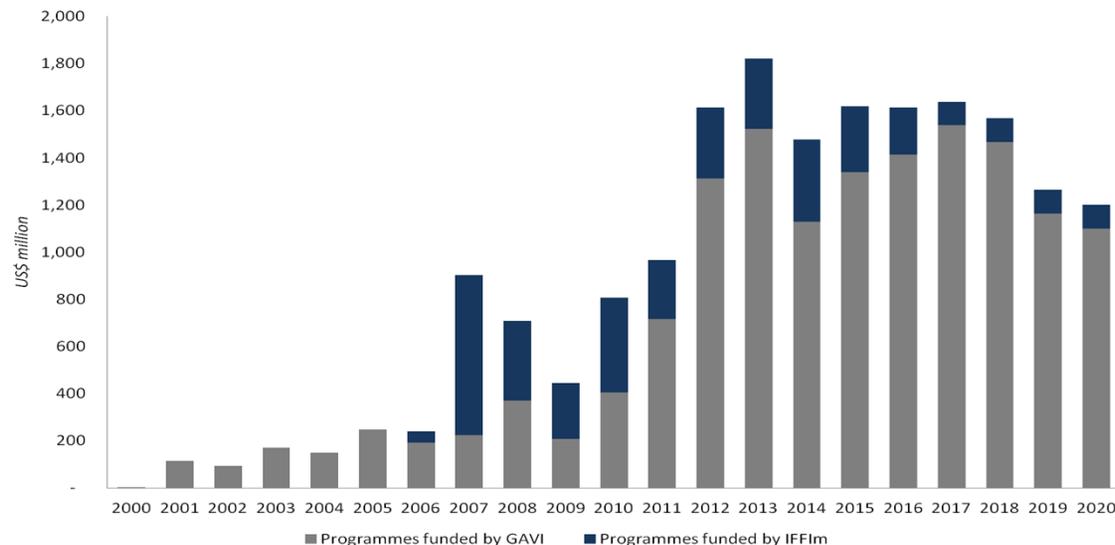


International Finance Facility for Immunization



- Asset(s) provide security upon which bonds are issued
- Asset(s) are gradually expensed; the cash generated over time repays the bonds.

GAVI doubled its spending on vaccines with the help of IFFIm

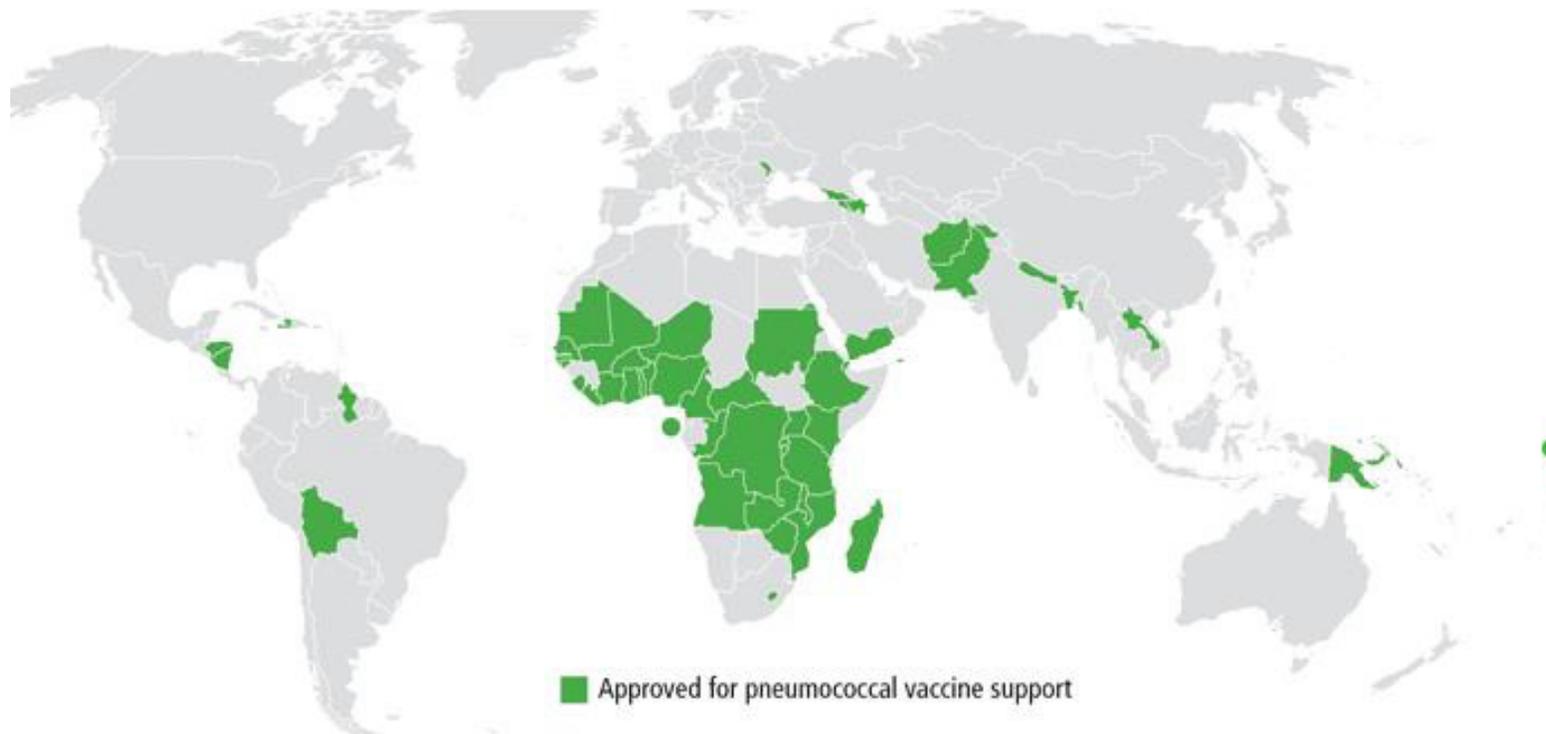


World Bank's Innovative Financing: Transformative Mechanisms for Supporting GAVI

- Two innovative financing mechanisms that have contributed **one-third of GAVI's financial resources from 2000 to 2010.**
- International Finance Facility for Immunisation (IFFIm)
 - Issues bonds to fund immunization efforts
 - Leverages long term government financing pledge
 - Has raised **US\$4.55 billion which IFFIm has used to fund GAVI programs and refinance its debt**
- **Advance Market Commitment**
 - **offer agreement for vaccine manufacturers to supply a proportion of the targeted demand at a maximum price**
 - **Successful \$1.5B 2010 pilot with pneumococcal vaccine price for US\$3.50. This is more than a 90 percent reduction from industrialized country prices in 2009.**

AMC Countries Approved for Pneumococcal Vaccine

- Eligible countries approved for support: 51 (70% of 73 eligible countries)
- Country introductions to date: 30
- Estimated number of children immunized: Over 10 million



Bank-IDA Direct Investments in Immunization

Financing

- Grants
- Concessionary credits
- Innovative financing (Polio Buy down program)
- R&D - IAVI

Key attributes

- Focus on Health System Strengthening
- Multisectoral context
- Highly concessional lending for poorest countries
- Co-financing with development partners

Results (past decade)

- 117M people provided access to health services
- Direct immunization of 600M children
- Bank-financed vaccination programs saved 3.8 million lives over past decade
- Bank procurement of vaccines and related equipment >\$1.5 billion since FY2000

RBF has been transforming health systems to become more accountable and produce better results

Key features of the Result-Based Financing (RBF) for health

What is RBF?

- An instrument that provides finance based on the delivery of pre-determined results

What problems does it solve?

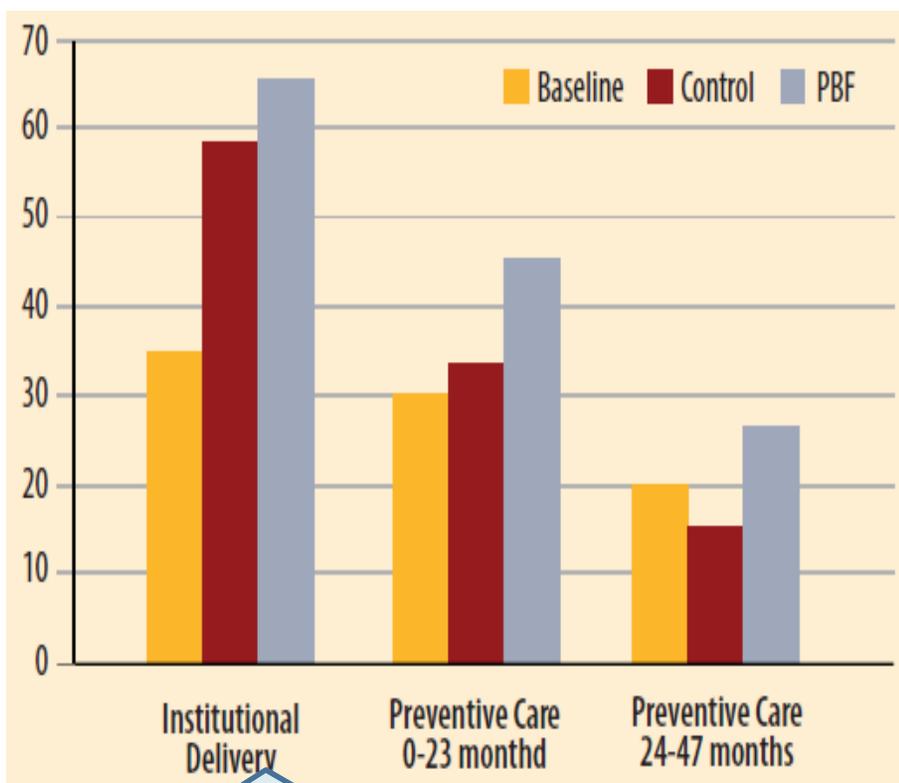
- Lack of result-focus
- Fragmentation of the health systems
- Poor accountability and motivation
- Lack of autonomy for front line service providers

How does it solve the problems?

- Provide an integrated result-focused platform with clear priorities and results indicators
- Monitoring results stringently through data
- Empowering local providers to set priorities according to local needs

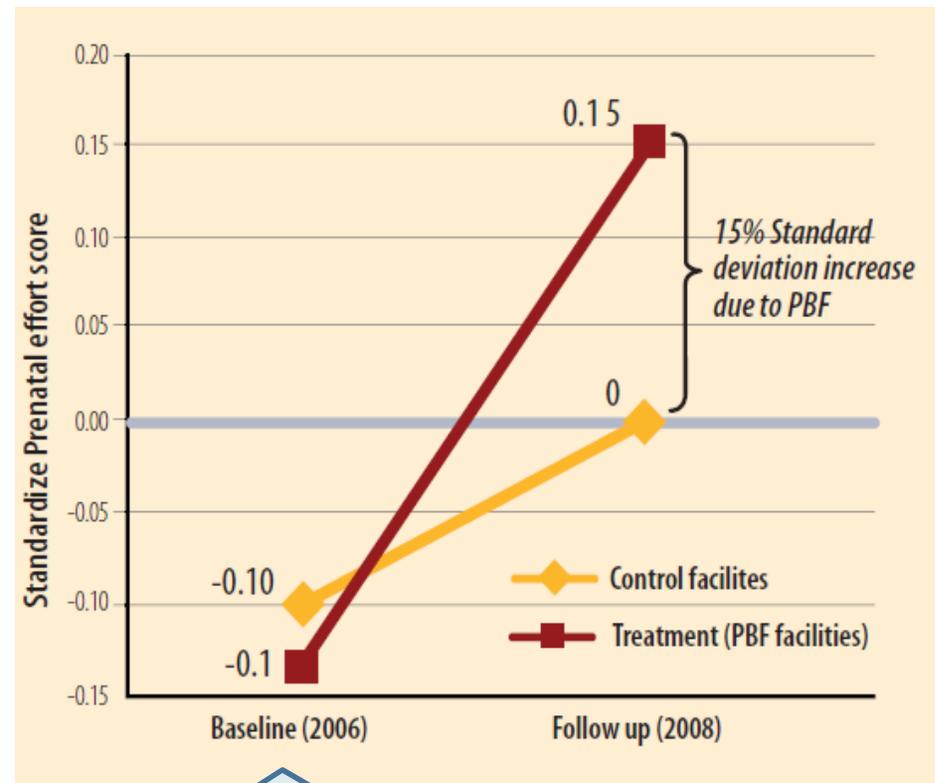
Impact Evaluation provides evidence that RBF can increase utilization, quality and health outcomes significantly

Utilization of Services in Rwanda IE



PBF achieved higher utilization of essential services compared to baseline and control

Quality of Care in Rwanda IE



PBF achieved 15% standard deviation increase in compliance to prenatal care guideline compared to control

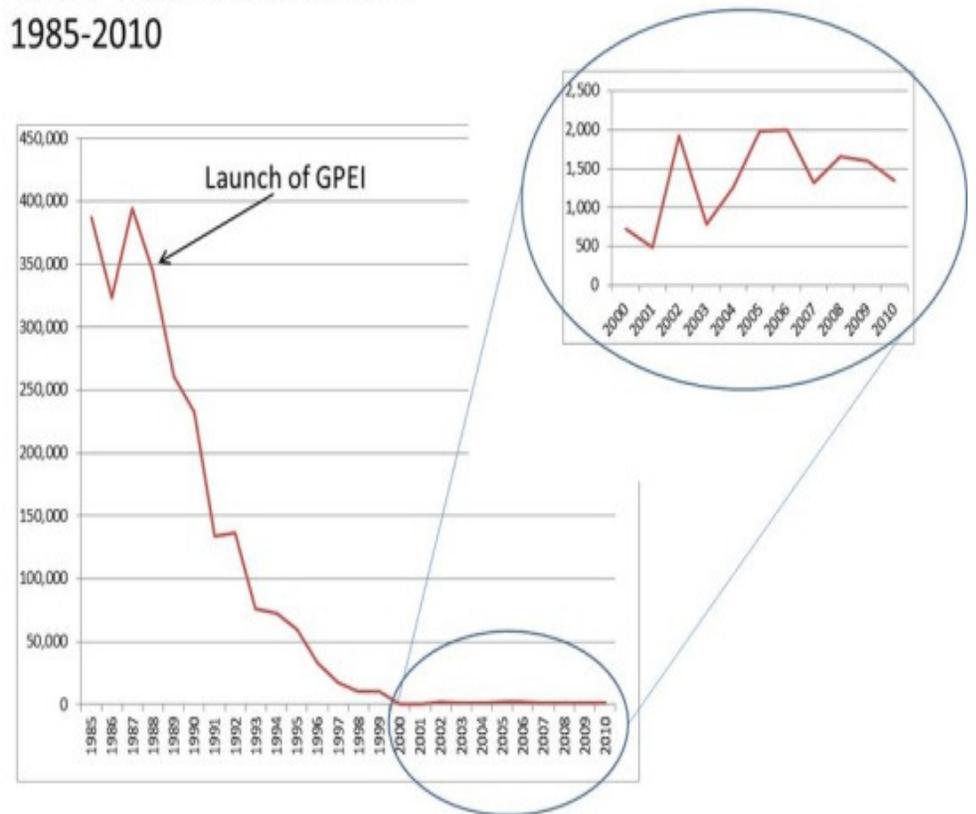
Global Polio Eradication Initiative

- 10 year, \$500M investment to eliminate polio in Pakistan and Nigeria via oral polio vaccine
 - Pro-poor investment in a global public good
 - Polio still endemic to marginalized populations
- Innovative “buy-down” financing
 - Converts credits to grants at net present value
 - Contingent on performance indicators
 - Funded by Gates/UNF/Rotary in partnership with the World Bank

GPEI Partnership Outcomes

- Declining global incidence of polio (66% decrease over past year)
- Only three remaining endemic countries
- Buy-down tool enables greater effectiveness
 - NPV payout allows significant credit discounts
 - Results based financing incentivizes performance
 - No debt burden to target countries

Global Wild Poliovirus Cases
1985-2010



Expanded routine immunization services necessary to sustain success

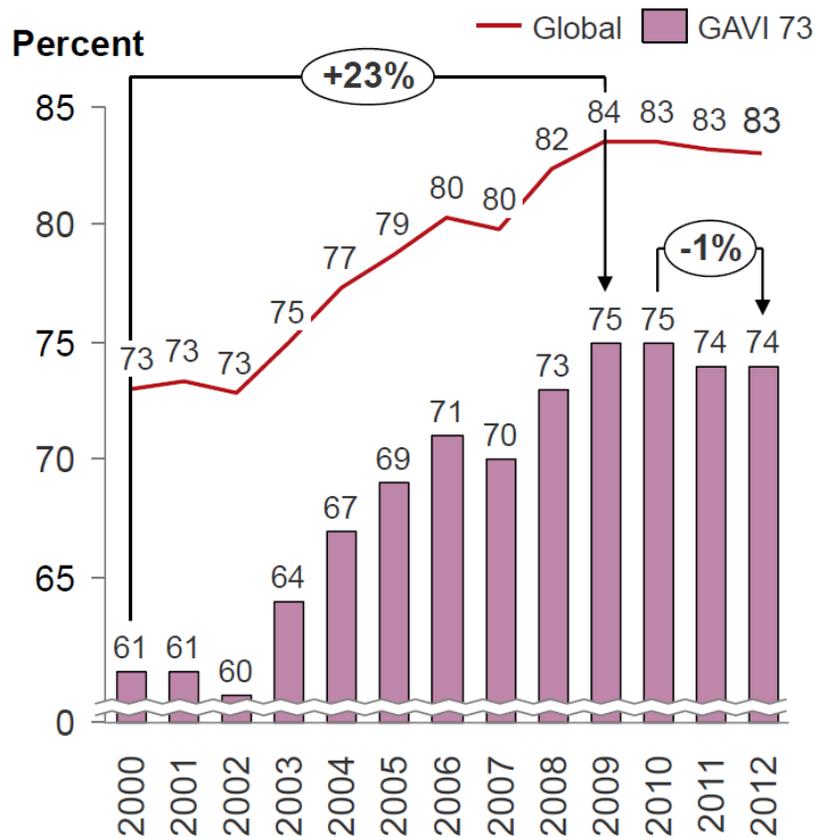
Future Directions

Ongoing Barriers to Global Immunization

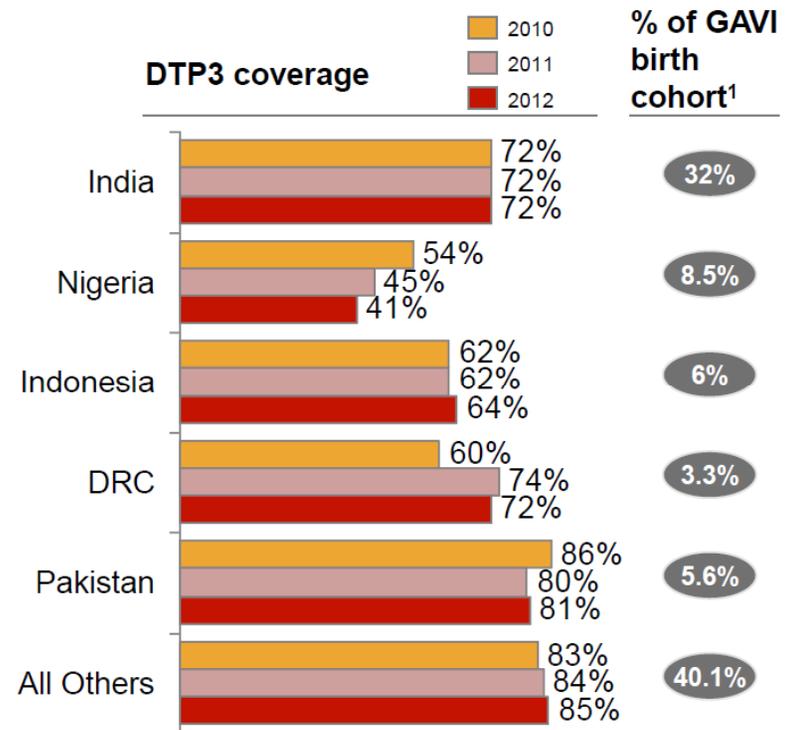
- Political economy: financing sustainable state-led vaccination campaigns
- Immunization rates are both insufficient and stagnating
 - 20 million infants worldwide still not receiving routine immunization
 - Vaccine preventable diseases cause 25% of deaths for children <5 years of age
- Emerging challenge: delivery to poor population in middle income countries

Stagnating Immunization coverage since 2009 – largely driven by lagging results in a few large countries

DTP3 coverage rate



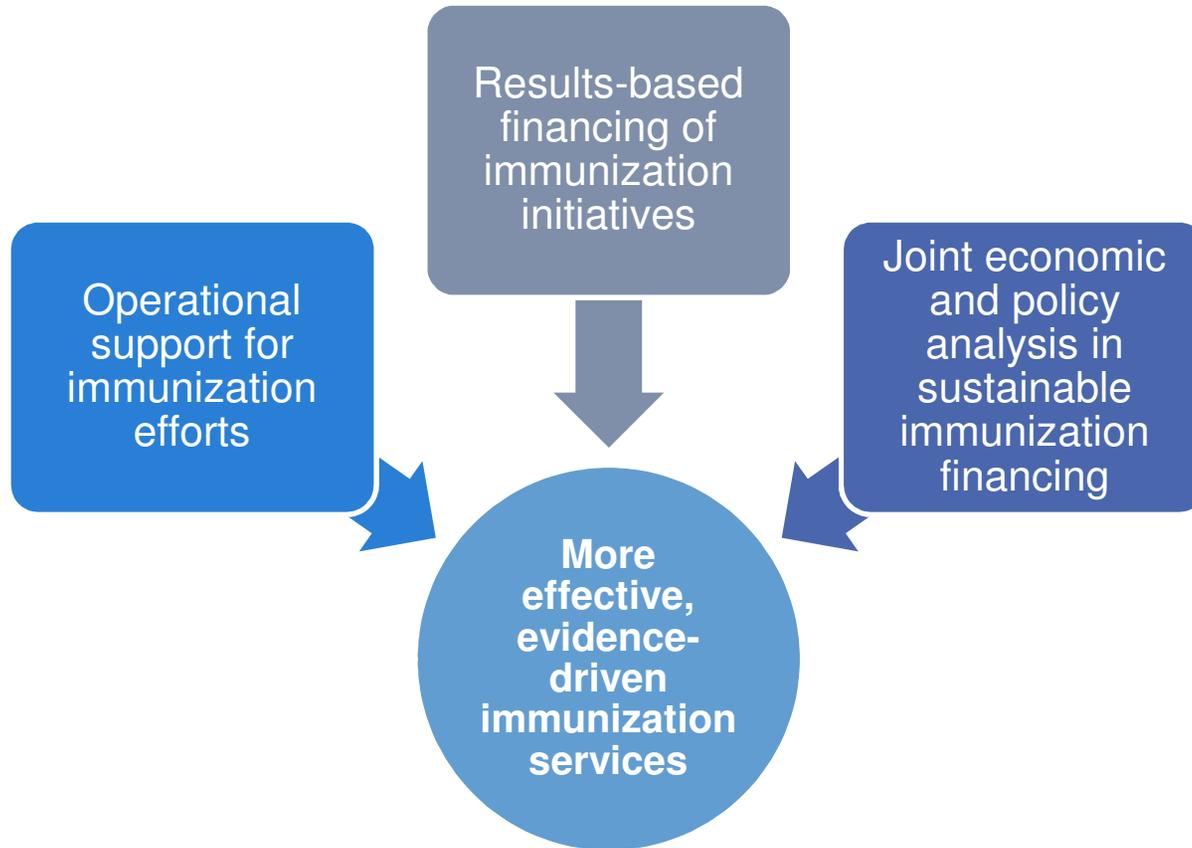
Details on large countries



¹ GAVI 73 countries in 2012

Source: WUENIC, Revision 2012; Projected DTP3 estimates based on SDF projection rules & UN WPP, Revision 2012

GAVI Strategy 4.0



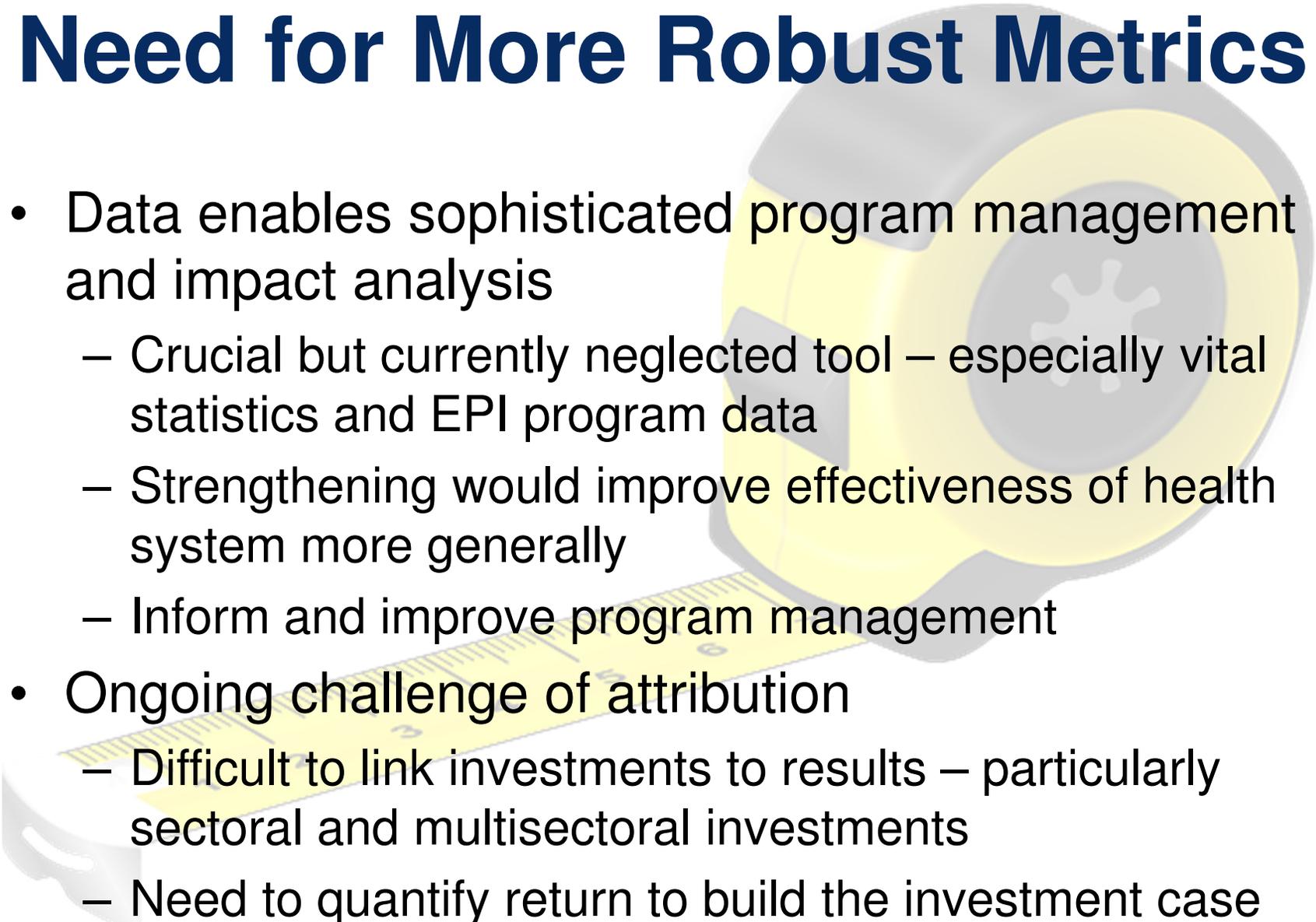
Leverage and Innovate in Global Financing for Immunization

- New innovative financing instruments to incentivize vaccine development
- Developing partnerships with GAVI and others to develop new funding structures (e.g., prize programs)
- Expanding current efforts to strengthen and harmonize regulatory frameworks for vaccines and commodities.

Increased country engagement

- Sustainable domestic financing of immunization
 - Analytic work and policy dialogue
- More nuanced criteria for graduation from GAVI:
 - Financial
 - Coverage
- Advancing science of delivery
 - Increasing use of results based financing and operational support (including co-financing)
 - Leveraging modern “big data” analytical tools to model, predict, analyze, and sharpen interventions in real-time

Need for More Robust Metrics



- Data enables sophisticated program management and impact analysis
 - Crucial but currently neglected tool – especially vital statistics and EPI program data
 - Strengthening would improve effectiveness of health system more generally
 - Inform and improve program management
- Ongoing challenge of attribution
 - Difficult to link investments to results – particularly sectoral and multisectoral investments
 - Need to quantify return to build the investment case for countries and development partners

Conclusion

- Investments in immunization are a critical component of UHC and a strong force for poverty reduction
- The Bank's financing tools and partnerships have leveraged substantial progress towards vaccination goals
- New research and knowledge work between the Bank and GAVI will accelerate sustainable access to immunization