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Development Assistance for Immunization

Key Points

- **Development assistance can play an important role in immunization financing. It should ideally be predictable, well-coordinated with government efforts, aligned with government priorities, and accompanied by a plan for sustaining activities once the assistance ends.**
- **Development assistance for health that is used to strengthen health systems can generate important benefits for immunization because routine immunization services depend on strong health systems for delivery.**
- **The poorest countries with slow economic growth are likely to need development assistance for health and immunization for many years. Countries with fragile economies or those in conflict also have extra needs.**
- **Most development assistance for immunization comes in the form of grants, but loans and credits can play a role too.**

For low-income countries and many lower-middle-income countries, development assistance is an important addition to highly constrained public budgets for health and for immunization. The Institute for Health Metrics and Evaluation, in its Financing Global Health 2015 report, defines development assistance for health as "financial and in-kind contributions provided by global health channels to improve health in developing countries." Within health, funds for immunization are those that can be explicitly identified as supporting immunization.

This brief explores development assistance for immunization in the context of development assistance for health more broadly. Depending on its purpose, development assistance for health can be highly relevant for immunization because routine immunization services require strong health systems for delivery. For example, development assistance that is used to strengthen the reach and quality of primary health services in underserved areas can help advance immunization coverage goals.

Growth in Development Assistance for Health and Immunization

The figure on the next page plots total development assistance for health from 2000 to 2015 in constant 2015 U.S. dollars. Development assistance for health increased from about US$11.7 billion in 2000 to US$36.4 billion in 2015. (Figures for 2014 and 2015 are preliminary.) During this same period, assistance for immunization rose from about US$400 million to US$2.9 billion per year. As a percentage of total health assistance, assistance for immunization rose from 4% in 2000 to 8% in 2015.

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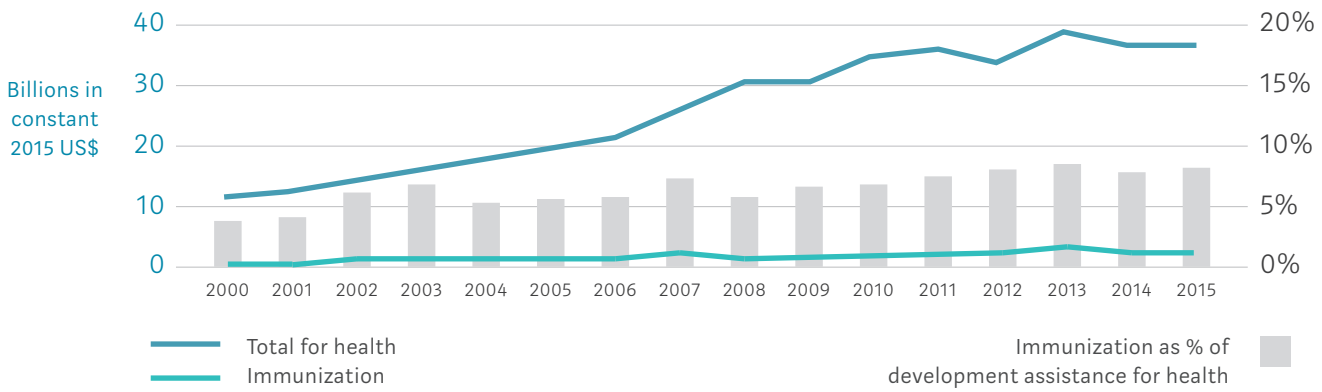
A significant share of development assistance for immunization flows through the Global Polio Eradication Initiative (GPEI). About US$900 million was disbursed in both 2013 and in 2014 for this program, and requirements for 2013 to 2019 will total US$7 billion, or about US$1 billion per year, according to GPEI annual reports.

Development Assistance for Health and for Immunization Within Health (2000 to 2015)



Source: Institute for Health Metrics and Evaluation

Channels of Development Assistance for Health and Immunization

Development assistance can be categorized by source of funding or channel of funding. Channels of assistance are agencies and organizations that direct their own funds or funds from other sources. From a country perspective, channels are of greatest interest because countries receive financing from channels.

For health generally, the five largest channels of assistance from 2000 to 2015 were nongovernmental organizations collectively (21.8%), the United States (18.7%), the Global Fund to Fight AIDS, Tuberculosis and Malaria (8.1%), the World Bank's International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) (7.9%), and the World Health Organization (7.0%).

For immunization, the five largest channels during the same period were Gavi (37.9%), the Bill & Melinda Gates Foundation (14.9%), WHO (13.3%), U.S.-based nongovernmental organizations (9.4%), and the U.K.'s Department for International Development (5.7%). Gavi funding has risen steadily since the alliance was created in 2000. By 2015, Gavi funding accounted for about 50% of all assistance for immunization. (See Brief 9.) Many small and medium development assistance channels also play important roles in health and immunization.

Forms of Assistance for Immunization

Most immunization support is in the form of grants; loans and credits also play a role.

Grants. Grants are transfers of resources—which can include money, technical assistance, and commodities or equipment—without expectation of repayment. For example, Gavi support comes in the form of vaccines, injection safety devices, cold chain equipment, and grants to strengthen health systems and immunization programs. (See Brief 9.) USAID has provided project grants for a host of immunization-related purposes, including cold chain equipment upgrades, learning materials and

training, Gavi proposal development, Expanded Program on Immunization (EPI) reviews, vaccine post-introduction evaluations, and capacity building in many areas. Japan International Cooperation Agency (JICA) provides assistance for immunization primarily through technical cooperation projects, grant aid, and loans.

Vaccine donations (except for those procured through UNICEF Supply Division with donor financing) can have adverse effects on national immunization programs. Sometimes they do not meet the needs of immunization programs, are unsustainable after the donation ends, incur costs that were not budgeted for, or have quality (such as expiry) issues. UNICEF and WHO have a joint statement that outlines five key requirements for vaccine donations in order to avoid adverse effects. Cold chain equipment donations can also have negative effects if they are not aligned with the needs of the national program. UNICEF guidelines on such donations can be helpful.

Loans and credits. The World Bank and regional development banks provide loans, credits, and (less frequently) grants. Loans and credits are funds borrowed by country governments that must be repaid; the terms can vary, with credits carrying highly concessional (subsidized) rates. Development loans and credits are negotiated with the country's ministry of finance, and the government guarantees repayment. Other channels, such as JICA, also provide loans.

The World Bank maintains a list of country eligibility requirements for its various forms of assistance: IBRD-only loans (at or near market rates), IDA-only credits (at highly concessional rates), and blends of both. Eligibility for IDA credits is updated annually. Eligibility depends on a country's GNI per capita (with a threshold of US$1,215 in 2016) as well as other factors such as small island status and creditworthiness. As countries grow economically and surpass the IDA threshold, they gradually phase out of IDA support and IBRD support phases in. In 2016, 78 countries were eligible to receive IDA resources either in full or blended with IBRD support. Regional development banks take fairly similar approaches.

Buy-downs of loans and credits. In some instances, the terms of loans and credits are softened upon achievement of certain goals, most commonly for polio. Since global eradication of polio is a global "public good," it makes sense that the burden should not fall on individual countries involved in the final push for global polio eradication. The World Bank has provided a series of IDA credits to Nigeria for polio eradication, with the Gates Foundation, Rotary Foundation, and U.S. Centers for Disease Control, via the UN Foundation, pledging additional funds to convert some of these credits to full grants if polio campaign targets are achieved. Similarly, JICA has provided loans to Nigeria and Pakistan to support polio eradication, and the Gates Foundation agreed to repay the loans to JICA—a "loan conversion" or "buy-down"—if the projects are successfully completed.

As economic growth leads countries to transition from concessional financing (IDA) to loans (IBRD), some governments become more reluctant to borrow for health and immunization projects. Although loans and credits must be repaid (except in cases such as loan conversion), they can be sound investments if the benefits of the supported project outweigh the costs. The government must have the capacity to repay the loan or credit, however, and the loan or credit makes sense only if cheaper financing is not available. Loans and credits for recurrent costs can pose particular concerns because countries must assume not only the recurrent costs after the assistance ends, but also repay the loans or credits. Many middle-income countries do not have as much access to development assistance grants as the poorest countries. Loans can be an especially important source of financing for these countries for investment purposes.

World Bank Assistance

The World Bank has four main types of instruments relevant to health and immunization:

- **Investment project financing** to support specific physical and social infrastructure
- **Development policy financing** to support a program of policy and institutional actions, such as to address bottlenecks in service delivery, with non-earmarked general budget financing
- **Program-for-results financing**, which links disbursements to defined program results
- **Trust funds and grants** to help scale up activities (especially pilot innovations) or support activities in fragile and conflict situations

The World Bank, along with partners, launched the Global Financing Facility (GFF) in 2015 as a platform to support improvements in reproductive, maternal, newborn, child, and adolescent health (RMNCAH). The GFF Trust Fund links grant funds to IDA or IBRD projects to finance country investment cases (prioritized investments) that focus on "best-buy" RMNCAH interventions (which include immunization) as well as broader health system issues. GFF investments are likely to be an important source of financing for health and immunization services over the next few years. Investment cases are intended to guide financing from GFF partners and national governments for a period of three to five years. As of 2016, 62 low- and lower-middle-income countries were eligible for grants from the GFF Trust Fund.

Assessing Development Assistance

Development assistance is complicated to assess because it comes in many forms, with varying requirements and lending terms. But six main criteria apply: additional resources raised, cost, predictability, sustainability, flexibility, and equity.

How much funding a country might raise from development assistance depends on its country characteristics (such as GNI per capita, disease burden, region, and other factors) and its relationships with donors. The poorest countries generally have the most access to development assistance, but there are important exceptions. Assistance from multiple sources can bring important benefits but also be complex to assess and manage. Project grants, loans, and credits vary in size, and they can offer significant additional resources or be more limited in scope. What development assistance adds to government budgets depends on how those budgets might be shifted or cut in response to development assistance flows. Loans and credits that require repayment need approval from the ministry of finance or treasury, and the ministry might reduce general budget allocations to health and/or immunization as a result of the perceived availability of development assistance for the health sector.

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There are also costs associated with applying for, getting approval for, and using development assistance. Some of the transaction costs can be confusing and burdensome for countries.

In terms of predictability, some grants and loans/credits have a short time horizon and are for specific activities, while others may come with multi-year commitments. The predictability of payment for results-based financing depends, of course, on the likelihood that the results will be achieved. This type of assistance is intended to increase focus on results, improve government accountability, and encourage innovation. Some of the assistance is approved on a year-to-year basis, with no assurance of continuation, which makes planning difficult.

Development assistance is time-bound, so governments must carefully consider the sustainability of activities funded by that assistance. The activities may have recurrent operating costs and maintenance costs that will have to be financed by public budgets once the assistance ends.

In terms of flexibility, budget support is the most flexible and grants tied to specific inputs are the least flexible. Governments must assess whether the package of development assistance they receive is furthering their goals and whether different types of assistance would improve efficiency and impose fewer restrictions or constraints on health budgets and planning.

Some assistance is intended to improve equity in health outcomes or specifically in immunization coverage. As mentioned earlier, donors are increasingly linking disbursements to desired results, which may have an equity component.

Sources and Further Reading

Institute for Health Metrics and Evaluation. Financing global health 2015: development assistance steady on the path to new global goals. Seattle (WA): Institute for Health Metrics and Evaluation; 2016.

WHO-UNICEF Joint Statement on Vaccine Donations, August 7, 2010. Available from: http://www.who.int/immunization/hpv/plan/who_unicef_joint_statement_on_vaccine_donations_who_unicef_2011.pdf