



Graduating Countries

Frequently Asked Questions
April 2011

1. What is a GAVI graduating country?

In 2010, the GAVI Board decided to revise the GAVI eligibility criteria and divided countries into three groups using the Gross National Income (GNI) per capita indicator: low-income countries, intermediate countries and graduating countries. This was initially based on the World Bank 2009 GNI data.

A graduating country is therefore a country that exceeds the GAVI eligibility threshold of US\$ 1,500 GNI per capita and will no longer be eligible for GAVI support after 2015.

2. When is the GNI annual adjustment reviewed? What implications does this have for countries that change categories?

Each year, when the updated World Bank GNI data is released in July, the country groupings will be updated by GAVI.

When a country's GNI moves above or below US\$ 1,500, the country grouping will be changed. If a country falls into a different co-financing group compared to the year before, it will have a 'grace period' of 12 months to prepare and allocate budgets.

3. Can a graduating country apply for GAVI support?

In 2010, the GAVI Board made a decision to allow graduating countries one last chance to apply for New Vaccines Support in 2011.

In the 2011 round, graduating countries can only apply for New Vaccines Support until 2015. Graduating countries cannot apply for any other types of support, such as GAVI Health System Strengthening (HSS) support.

However, cash-based support previously approved will continue to be provided as originally communicated in the decision letter.

4. Is the 2011 application round the last occasion for a graduating country to apply for vaccine support?

Yes, this is the final opportunity for graduating countries to apply for New Vaccines Support.

However, thanks to the Advance Market Commitment (AMC) agreement for pneumococcal vaccines, countries will continue to access the GAVI price even after graduation. This means that graduating countries will be able to apply for pneumococcal vaccines in or after 2012, but at a cost to the country of US\$ 3.50 per dose, the tail price.

The tail price is the maximum long term price for developing countries as determined by the Advanced Market Commitment (AMC) agreements. For more information on the AMC: www.vaccineamc.org

5. For a graduating country, what is the difference between applying for pneumococcal vaccines either in the 2011 round or in a subsequent year?

The difference is reflected in the cost of the pneumococcal vaccines to the country.

If a graduating country applies for pneumococcal vaccines in 2011, the co-financing policy applies. In 2012, graduating countries will be expected to co-finance at 20% of the projected 2016 price of the vaccine. Thereafter, co-financing requirements will follow a linear increase over a four-year period. In 2016, the graduating country is expected to assume the full cost of the vaccine at US\$ 3.50 per dose (tail price). After graduation, the country will continue to access the GAVI price.

If a graduating country applies for pneumococcal vaccines in 2012 or later, it will need to completely self-finance the vaccine price from 2013 (at US\$ 3.50 per dose, the tail price).

6. How does the co-financing policy apply to the 2011 round?

The co-financing requirement for graduating countries in 2012 is 20% of the projected 2016 price, thereafter following a linear increase over a four-year period.

Table 1 (below) shows an example of a scenario for 'Vaccine A' and 'Vaccine B', both submitted in a proposal by a graduating country in 2011. 'Vaccine A' is approved for funding in the 2011 application round, and the table indicates the corresponding increase in co-financing contributions per year.

In this instance, only one vaccine proposal per country can be approved in 2011, and the proposal for Vaccine B automatically goes into "the pool" for new applications at the next round. This means that in a potential 2012 application round, Vaccine B will be reconsidered for approval. If approved, co-financing payments for 'Vaccine B' would then start in 2013 and similarly increase per year.

7. Is there a time-limit on when countries may introduce vaccines that are requested in the 2011 application round?

In the 2011 round, countries can only apply for vaccines that are planned for introduction in 2012 or 2013, i.e. a vaccine approved for funding in 2011 must be introduced either in 2012 or in 2013.

8. Can a country apply for more than one vaccine?

Countries may apply for any number of vaccines, indicating their preferred order of introduction. However, if GAVI does not have enough funding and the prioritisation mechanism needs to be applied, then only one vaccine will be approved per country.

The other vaccine(s) that are recommended for approval by the IRC will remain in "the pool" until the next application round.

NB. The application round in May 2011 is the last opportunity for graduating countries to apply for New Vaccines Support.

Table 1: Illustrative co-financing amounts per year for two vaccine proposals submitted by a graduating country in the 2011 application round

| Co-financing requirements per year for countries graduating in 2011 | | | | | | |
|--|---|---|-------|-------|-----------------------------|-----------------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 'Vaccine A' proposal submitted in 2011 and approved in 2011 | Year of introduction: 20% of the projected vaccine price in 2016 | 40% of the 2016 vaccine price | 60% | 80% | 100% End of GAVI support | 100% |
| Co-financing amount per dose <u>Assumption:</u> Projected vaccine price in 2016 is \$3.5/dose | \$0.7 | \$1.4 | \$2.1 | \$2.8 | \$3.5 | \$3.5 |
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 'Vaccine B' proposal submitted in 2011 and approved in 2012* | - | Year of introduction: 20% of projected 2017 price | 40% | 60% | 80% | 100% End of GAVI support |
| Co-financing amount per dose <u>Assumption:</u> Projected vaccine price in 2017 is \$2.0/dose | - | \$0.4 | \$0.8 | \$1.2 | \$1.6 | \$2.0 |

* Vaccine B remained in the pool after prioritisation in the 2011 round and was then approved for funding in 2012.

9. What happens if a vaccine receives conditional approval – will it still be considered in the 2012 application round?

Yes. If a country receives conditional approval for a vaccine in the 2011 round, it must submit the additional information required by the 2012 application deadline. The vaccine will then be considered for approval in 2012 to introduce in 2013. If the conditions or information requirements are not satisfied in 2012, the vaccine will be eliminated and the country will not be able to reapply for that vaccine in 2013.

10. If there are delays to introduction that are due to a supply situation, will that limit the number of years of support?

No, a country will always have four years of support from the first year of introduction, but only if delays are due to a supply situation or circumstances outside the control of the country. If the delays are due to circumstances that may have been averted by the country, then the country may not receive all four years of support.

11. What are the GAVI price points currently used for co-financing estimates in the GAVI application form?

| Vaccine | Doses per vial | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------|----------------|-------|-------|-------|-------|-------|-------|-------|
| PCV10 | 2 liquid | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 |
| PCV13 | 1 liquid | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 |
| Rota 2-dose schedule | oral | 7.500 | 6.000 | 5.000 | 4.000 | 3.600 | 3.600 | 3.600 |
| Rota 3-dose schedule | oral | 5.500 | 4.000 | 3.333 | 2.667 | 2.400 | 2.400 | 2.400 |
| DTP-hepB-Hib | WAP | 2.580 | 2.470 | 2.320 | 2.030 | 1.850 | 1.850 | 1.850 |
| YF | WAP | 0.856 | 0.856 | 0.856 | 0.856 | 0.856 | 0.856 | 0.856 |
| Measles | 10 | 0.240 | 0.240 | 0.240 | 0.240 | 0.240 | 0.240 | 0.240 |

Prices are projections, per dose, based on information currently available. Countries will be informed of changes as they occur.