Projections of Eligibility and Transition Trajectories up to 2040:

Implications for Gavi's Next Strategic Period and Beyond

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This paper is a draft and may be revised following the Gavi December 2023 board meeting. It is part of a series of research and analysis on the future of Gavi. For more, visit: https://www.cgdev.org/priorities-policy-options-gavi-vaccine-alliance.

Executive Summary

Background

The current fiscal outlook has important implications for countries' transition trajectories and eligibility for support from Gavi, the Vaccine Alliance. Many low- and middle-income countries are facing harsh fiscal prospects and mounting debt burdens in the wake of the COVID-19 crisis. Government spending for health is likely to stagnate or shrink in many lower-income countries while donor budgets are tightening.

Alongside these trends, health systems in many countries are still reeling from the aftershocks of the pandemic—and immunization coverage rates are flatlining and even backsliding in some instances, alongside persistent inequities. Further, the growing portfolio of new and potentially more expensive vaccines is likely to increase the overall price tag of childhood immunization programs.

This paper dives into the implications of macroeconomic projections on countries' prospects for transition from Gavi between 2023–2040. It highlights key takeaways and implications for Gavi's eligibility, transition, and co-financing model going forward. Building on these findings, it offers policy recommendations to leverage Gavi's next strategic period, known as "Gavi 6.0," as a key opportunity to substantively modify Gavi's eligibility, transition, and co-financing model to be fit-for-purpose for the post-COVID era.

Results and implications for Gavi

Our analysis, in a four percent inflation adjustment scenario, suggests that:

- the five countries currently in the accelerated transition phase are likely to remain above the GNI eligibility threshold through 2040;
- three countries currently in the accelerated transition phase are at risk of backsliding;

- only one additional country is likely to cross the GNI eligibility threshold and enter the accelerated transition phase by 2040; and
- 37 countries are likely to stay below the GNI eligibility threshold and remain eligible for Gavi support through 2040.

These findings yield two key takeaways. First, projections of transition and eligibility timelines using more recent economic growth data are largely similar to pre-COVID estimates. However, the cohort of transitioning countries will lose access to Gavi funding under more challenging fiscal conditions than originally anticipated, with potential implications for governments' ability to sustain immunization financing and service delivery.

Second, roughly 40 countries are projected to remain eligible for Gavi support through 2040, raising questions about whether donors' long-term funding commitment to Gavi is aligned with realistic expectations about national growth trajectories. This also suggests a need for alternative paths towards financial, programmatic, and operational sustainability.

Policy recommendations for the next strategic period and beyond

Given the post-COVID reality, marked by fiscal challenges and competing priorities in the health sector, Gavi will need to evolve its approach to eligibility, transition, and co-financing.

This paper offers four policy recommendations for Gavi's leadership and board to consider during its next strategic period: (1) rethink criteria for eligibility and align on core principles to determine how best to evolve the overall approach; (2) re-examine Gavi's approach to prioritization of resources and value for money; (3) modify Gavi's operating model and modalities of engagement, especially in fragile and conflict-affected settings; and (4) align and clarify approaches with other global health mechanisms.

Introduction

Many low- and middle-income countries are facing harsh fiscal prospects as they confront high inflation, soaring interest rates, currency depreciation, and rising debt, among other aftershocks from the COVID-19 crisis.[1] As debt-to-GDP ratios rise and debt servicing crowds out social-sector spending, the outlook for spending on health does not look promising.[2] Recent projections from the World Bank indicate that spending on health is likely to contract or stagnate in most low- and lower-middle-income countries over at least the next five years.[3] Some low-income countries could see as much as a 20 percent reduction in health spending (in real terms)—with potential implications on the availability of and access to essential health services.[4] At the same time, donor budgets are also under immense pressure, amidst a shifting global landscape.[5]

This prevailing fiscal outlook also has important implications on eligibility, transition, and co-financing trajectories for different global health mechanisms. This CGD policy paper expands on

[1] https://www.cgdev.org/blog/looming-crisis-public-finances-spells-trouble-universal-health-coverage
[2] https://www.cgdev.org/blog/fiscal-straitjacket-stifling-health-spending-developing-countries
[3] https://www.worldbank.org/en/topic/health/publication/from-double-shock-to-double-recovery-health-financing-in-the-time-of-covid-19
[4] https://www.cgdev.org/publication/mind-gaps-takeaways-emerging-research-and-policy-implications-aid-transition-health-and
[5] https://d2nhv1us8wflpq.cloudfront.net/prod/uploads/2023/08/FGHI_final_report_designed.pdf

recent analysis of transition trajectories for different global health mechanisms, diving deeper into the implications of up-to-date macroeconomic projections on countries' prospects for transition from Gavi between 2023–2040.[6] It highlights key takeaways and implications for Gavi's eligibility, transition, and co-financing model going forward.

These findings should be understood within the broader post-COVID context. Health systems in many countries are still reeling from the aftershocks of the pandemic—and immunization coverage rates are flatlining and even backsliding in some instances, alongside persistent inequities. Further, evidence suggests the upcoming cohort of transitioning countries fares worse than previous ones on economic growth rate and immunization coverage indicators—and is potentially at risk of unsuccessful transition.[7] Finally, the growing portfolio of new and potentially more expensive vaccines is likely to increase the overall price tag of childhood immunization programs.

Taken together, our findings and these macro forces indicate serious challenges with Gavi's existing eligibility, transition, and co-financing model. The next strategic period (known as "Gavi 6.0") presents a key opportunity for Gavi to substantively evolve its eligibility, transition, and co-financing model to ensure its policies are fit-for-purpose in a rapidly evolving global landscape.

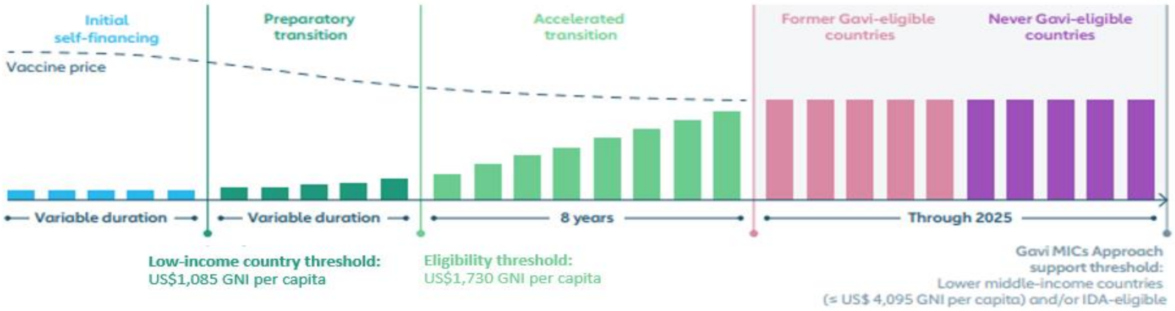
Overview of Gavi's eligibility, transition, and co-financing model

Among the global health financing mechanisms, Gavi has a particularly explicit policy for eligibility, transition, and co-financing (see Figure 1 and Box 1 for more details on Gavi's overall approach). Still, Gavi has demonstrated a willingness to consider flexibilities and adjustments to the transition and eligibility policy, including country- and vaccine-specific exceptions. For instance, Gavi has approved a special partnership with India, which transitioned from Gavi support in 2021 and bespoke co-financing arrangements for specific vaccines, such as vaccines against malaria and polio.[8]

The Gavi board also recently approved changes to the eligibility and transition policy at its December 2022 meeting,[9] which extended the overall duration of the accelerated transition phase from five to eight years and introduced a requirement for countries to co-finance at least 35 percent of vaccine costs to enter the accelerated transition phase. These changes signal, at least in part, an openness to adapt in response to COVID-induced budgetary pressures that countries are currently facing.

[6] https://www.cgdev.org/publication/country-transition-projections-2040-gavi-global-fund-and-world-banks-ida
[7] https://www.gavi.org/sites/default/files/board/minutes/2022/7-8-dec/11b%20-%20FPR%20-%20Eligibility%20and%20Transition%20Policy%20and%20Co-Financing%20Policies.pdf; https://centerforpolicyimpact.org/wp-content/uploads/sites/18/2018/03/Transition-from-foreign-aid_DukeCPIGH-Working-Paper-final.pdf
[8] https://www.gavi.org/news/media-room/gavi-and-government-india-establish-new-partnership-protect-millions-children-2026; https://www.gavi.org/programmes-impact/programmatic-policies/co-financing-policy
[9] https://www.gavi.org/sites/default/files/board/minutes/2022/7-8-dec/11b%20-%20Annex%20A%20-%20Eligibility%20and%20Transition%20Policy.pdf

Figure 1. Snapshot of Gavi's eligibility, transition, and co-financing model



Source: **https://www.gavi.org/sites/default/files/programmes-impact/our-impact/apr/Gavi-Progress-Report-2022.pdf**

Box 1. Background on Gavi's eligibility, transition, and co-financing model

Gavi defines country eligibility based primarily on Gross National Income (GNI) per capita.[10] The eligibility threshold is updated annually to account for inflation using the World Bank's adjustments. For 2023, countries are eligible for Gavi support if their average GNI per capita over the past three years is below the threshold of $1,730 (up from $1,660 in 2022).[11]

Countries below the GNI per capita eligibility threshold fall into one of two groups. First, countries in the low-income category (with GDP per capita below $1,135, as defined by the World Bank) are in the initial self-financing phase. Co-financing obligations in this phase include a fixed price per dose ($0.20) for Gavi-supported vaccines. Second, countries above the World Bank's low-income threshold yet under Gavi's eligibility threshold ($1,730 GNI per capita) are in the preparatory transition phase and see gradual increases in co-financing obligations (see Figure 1).

Once a country's three-year average GNI per capita is over the eligibility threshold, it enters the accelerated transition phase, with some exceptions.[12] During this phase, co-financing contributions gradually increase; in turn, Gavi draws down its support. This phase has historically lasted five years and was recently extended to eight years, although shorter transitions have also been recorded (e.g., Vietnam completed this phase between 2015 and 2019[13]). A country has "transitioned" from Gavi support once it is fully self-financing. Nineteen countries have transitioned out of Gavi support to date.[14]

For further details, see Gavi's full policies on eligibility, transition, and co-financing.[15]

[10] Note, our analysis focuses *only* on GNI per capita projections. According to Gavi's eligibility and transition policy, there are certain exceptions to eligibility for vaccine procurement support based on additional criteria, including Penta3 coverage. Additionally, eligibility for other types of Gavi support including, health systems strengthening grants, are based on other criteria like Penta3 coverage; see more on methods and caveats in the next section. Gavi's latest eligibility and transition policy is available here: https://www.gavi.org/sites/default/files/programmes-impact/gavi-eligibility-and-transition-policy.pdf

[11] https://www.gavi.org/sites/default/files/board/minutes/2022/7-8-dec/11b%20-%20Annex%20A%20-%20Eligibility%20and%20Transition%20Policy.pdf

[12] Exceptions listed in Gavi's policy include more than 30 percent year-on-year increase in GNI.

[13] https://www.gavi.org/sites/default/files/publications/progress-reports/Gavi-Progress-Report-2015.pdf#page=54

[14] India (2021), Nicaragua (2021), Uzbekistan (2021), Viet Nam (2019), Angola (2017), Armenia (2017), Azerbaijan (2017), Bolivia (2017), Cuba (2017), Georgia (2017), Timor-Leste (2017), Guyana (2016), Indonesia (2016), Kiribati (2016), Moldova (2016), Bhutan (2015), Honduras (2015), Mongolia (2015), Sri Lanka (2015). https://www.gavi.org/sites/default/files/investing/funding/resource-mobilisation/MTR23_Report_FULL_eng.pdf#page=28

[15] https://www.gavi.org/sites/default/files/programmes-impact/gavi-eligibility-and-transition-policy.pdf; https://www.gavi.org/sites/default/files/programmes-impact/Gavi-Co-financing-Policy.pdf

In 2023, a total of 54 countries are eligible for Gavi support—28 countries in the initial self-financing phase, 16 countries in preparatory transition, and 10 in accelerated transition.[16] The latest data on country disbursements (using the average of Gavi disbursements for 2017-2019) suggests that 39 percent of Gavi's disbursements were channelled to countries in the initial self-financing phase, 23 percent to preparatory transition countries, and 22 percent to accelerated transition countries.[17]

Methods and caveats

First, we constructed country-specific projections of annual GNI per capita up to 2040 using data on Gross Domestic Product (GDP) from the International Monetary Fund (IMF)'s World Economic Outlook. Our analysis used data from April 2023 as a measure of the current outlook and data from April 2017 as a proxy for pre-COVID projections. The IMF's economic growth projections are available up to 2028; we then estimated countries' GDP for all other years up to 2040 based on the linear trend observed over the past seven years. GDP projections served as a proxy for GNI projections in this analysis.

Of the 54 Gavi eligible countries, our sample included 51 countries for which GDP projections are available through 2028. Our analysis excluded three countries currently in the initial self-financing phase (Afghanistan, the Democratic People's Republic of Korea, and Syrian Arab Republic) for which projections are not available.

In addition, we constructed two growth scenarios for Gavi's eligibility threshold. First, we used a four percent annual inflation adjustment scenario ("four percent scenario"), which aligns with the 4.2 percent increase in Gavi's threshold between 2022 and 2023 (from USD 1,660 to USD 1,730, respectively) and the upcoming 4.6 percent increase for 2024.[18] Second, we used a two percent inflation adjustment scenario ("two percent scenario") to align with the average inflation adjustment from previous years. This approach aligns with the model used in our colleague Rachel Silverman Bonnifield's previous analysis (apart from assuming linear growth in the eligibility threshold) and is detailed further in the recent companion CGD working paper.[19]

For Gavi disbursements to recipient countries, we used data from the International Aid Transparency Initiative.[20] Specifically, we calculated average disbursements over the period 2017–2019 to obtain stable estimates.[21] The sum of disbursements for the countries in our sample represent 84 percent of total disbursements rather than 100 percent, given that three Gavi-eligible countries were excluded from the analysis as well as India, which stopped receiving Gavi disbursements in 2019 (though, as of recently, India has an active strategic partnership agreement).

[16] https://www.gavi.org/types-support/sustainability/eligibility
[17] Country disbursements total to 84 percent, rather than 100 percent; see more on methods and caveats in the next section.
[18] https://blogs.worldbank.org/opendata/new-world-bank-group-country-classifications-income-level-fy24
[19] In this analysis, we adjusted Gavi's eligibility threshold for annual inflation to align with the GDP projections, which also factor in inflation. GDP projections from the International Monetary Fund, which served as a proxy for GNI projections, were expressed in "current USD" values, which accounts for inflation. Adjusting the eligibility threshold therefore helped to ensure comparability between the GNI per capita projections and the GNI-based eligibility threshold. For more, see: https://www.cgdev.org/publication/projected-health-financing-transitions-timeline-and-magnitude; https://www.cgdev.org/publication/country-transition-projections-2040-gavi-global-fund-and-world-banks-ida
[20] https://d-portal.org/ctrack.html?sector_group=122&year_min=2019&year_max=2019#view=donors
[21] Disbursements include vaccine support as well as other types of support, including for health systems strengthening.

Finally, we used data from the World Health Organization's Global Health Expenditure database for domestic government health expenditure.[22] We calculated average expenditure over the period 2017–2019 to obtain stable estimates and align with the disbursements data.

As with any projections, the overall approach, methods, and data sources have inherent limitations. While these projections should not be taken as concrete predictions of what will happen to individual countries, they are useful in understanding the overall landscape and broad trends, yielding insights for informing policies and approaches going forward. Notably, this analysis is based purely on projections for GNI per capita; it does not account for other considerations in the macroeconomic context, such as country-specific debt repayment schedules, or other criteria in Gavi's eligibility and transition policy such as Penta3 coverage and the recently implemented 35 percent co-financing requirement. These factors will, in turn, have implications on the specific trajectories of individual countries and would provide useful areas of future inquiry. Further, we acknowledge that the four percent increase in Gavi's eligibility threshold between 2022 and 2024 may not hold throughout the period of analysis; to this end, we consider a two percent growth scenario for illustrative purposes.

Results

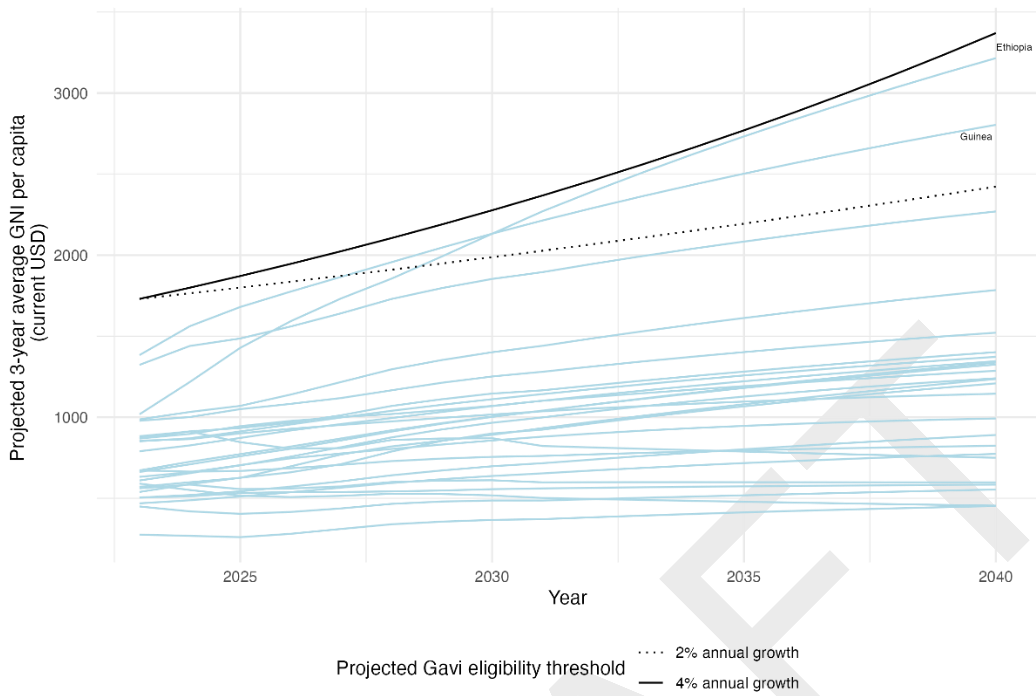
In the following sections, we present projections for the 2023–2040 period broken down by Gavi's three eligibility phases.

Initial self-financing countries

Based on our GNI projections, none of the 25 initial self-financing countries included in this analysis are likely to enter the accelerated transition phase by 2040 in the four percent scenario (Figure 2). Ethiopia and Guinea, which together represent about six percent of Gavi's disbursements, are the only two countries projected to exceed the GNI-based eligibility threshold in the two percent scenario.

[22] https://apps.who.int/nha/database#:~:text=The%20Global%20Health%20Expenditure%20Database,open%20access%20to%20the%20public

Figure 2. Projected GNI trajectories for countries currently in Gavi's initial self-financing phase



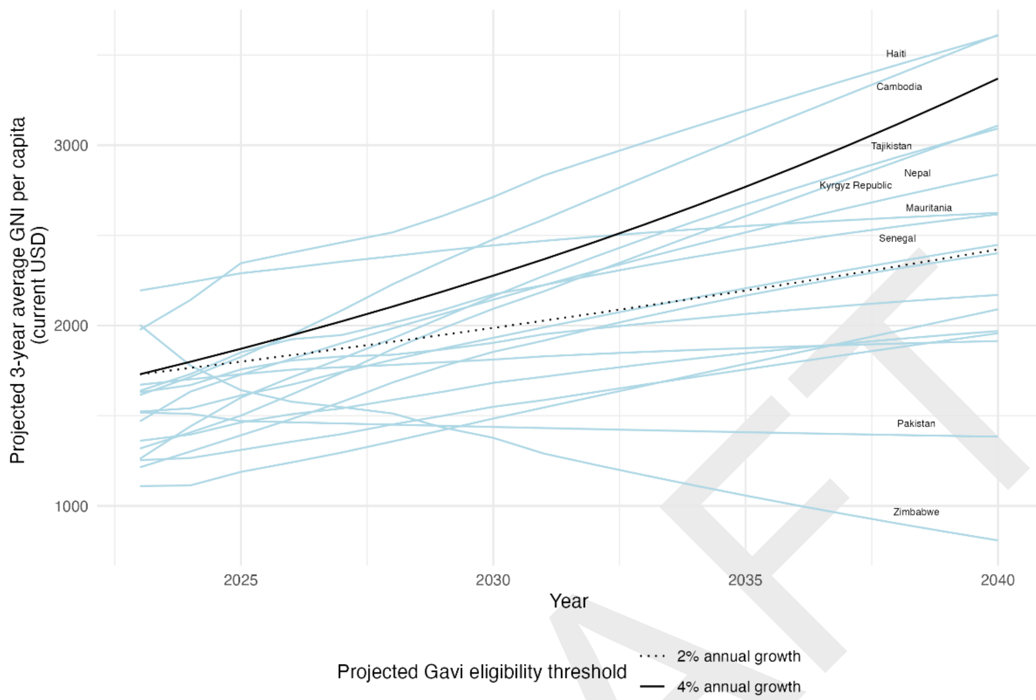
For many of the countries in this phase, Gavi disbursements are a significant component of external health spending and are sizeable compared to domestic government spending on health. Specifically, Gavi disbursements account for about 15 percent of external health spending and around 20 percent of domestic government health spending, on average, though levels vary significantly between countries. Some fragile and conflict-affected countries like the Central African Republic, South Sudan, and the Democratic Republic of the Congo are particularly reliant on Gavi financing, with disbursements equivalent to roughly 50–60 percent of general government health expenditure.

Countries in the preparatory transition phase

Our projections suggest that no more than two of the 16 countries (Cambodia and Haiti) currently in the preparatory transition phase are likely to have a GNI per capita above Gavi's eligibility threshold by 2040 based on our four percent scenario (Figure 3). Cambodia is currently below the eligibility threshold and is projected to exceed the GNI eligibility threshold required to move to the accelerated transition phase by 2040. In addition, our projections suggest Haiti will remain above the GNI eligibility threshold between 2023 and 2040; in reality, due to ongoing political social, and economic unrest, it is not likely to progress to the accelerated transition phase due to instability and other factors potentially impacting its ability to satisfy other eligibility criteria.[23]

[23] While our projections using the IMF's WEO data from April 2017 suggest that Haiti will remain above the GNI eligibility threshold in the 4 percent inflation adjustment scenario, we noted that Gavi documents do not include Haiti among the list of countries expected to transition (see here: https://www.gavi.org/sites/default/files/investing/funding/resource-mobilisation/MTR23_Report_FULL_eng.pdf#page=28)

Figure 3. Projected GNI trajectories for countries currently in Gavi's preparatory transition phase

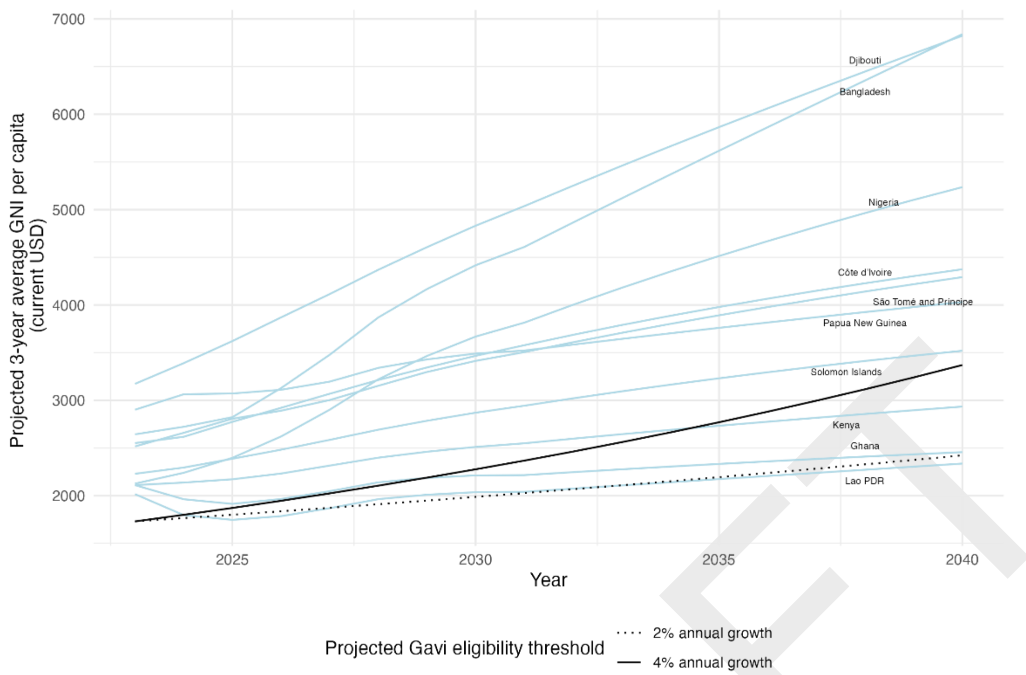


Seven additional countries (Comoros, Guinea, Kyrgyz Republic, Mauritania, Nepal, Senegal, and Tajikistan) would cross the eligibility threshold in the two percent scenario. Exact timelines for these countries will depend on the actual year-on-year growth rate of the eligibility threshold.

Countries in the accelerated transition phase

Of the 10 countries currently in the accelerated transition phase, seven countries are likely to remain above the eligibility threshold through 2040 based on the four percent scenario (Figure 4)—and, therefore, expected to transition away from Gavi support and become fully self-financing. In the two percent
scenario, our projections suggest nine countries may remain above the eligibility threshold through 2040.

Figure 4. Projected GNI trajectories for countries currently in Gavi's accelerated transition phase



If the increase in Gavi's eligibility threshold to account for inflation outpaces the growth in countries' GNI per capita, some countries may initially transition, but could later become re-eligible. Depending on the actual rate at which Gavi's eligibility threshold increases, Lao People's Democratic Republic (PDR) may fall below the threshold after 2035 and become re-eligible for Gavi support. Additionally, Kenya and Ghana could also become re-eligible if the threshold grows at four percent annually.

See Annex A for an illustrative comparison between our analysis and Gavi's own projections of countries that are poised to transition in the next few years.

Takeaways and implications for Gavi and global immunization efforts

Overall, our analysis underscores two key takeaways and related implications.

Takeaway 1: Compared to pre-COVID projections, transition prospects have mostly stayed consistent, with a few exceptions.

Transition prospects using updated economic growth data have, for the most part, not changed significantly compared to projections from 2017 using pre-COVID data (see Table 1). These trends could be attributable—at least in part—to better-than-expected economic growth just prior to COVID as well as to a rebound after COVID.

Table 1. Number of countries projected to be above Gavi's GNI-based eligibility criteria by 2040 using WEO 2017 and WEO 2023 data[a]

	Number of current Gavi-eligible countries (% of Current Gavi Disbursements)[b]			
	4 percent inflation adjustment scenario		**2 percent** inflation adjustment scenario	
Evolution Against the Eligibility Threshold Between 2023 and 2040	Projections based on **WEO April 2017**[c]	Projections based on **WEO April 2023**	Projections based on **WEO April 2017**[c]	Projections based on **WEO April 2023**
Stay eligible: below threshold in 2023 and 2040	36 (55%)	37 (59%)	35 (55%)	30 (50%)
Become re-eligible: above threshold in 2023, below threshold in 2040	5 (7%)	5 (6%)	-	2 (2%)
Stay above: above threshold in 2023 and 2040	9 (21%)	8 (18%)	14 (28%)	11 (22%)
Exceed threshold: below threshold in 2023, above threshold in 2040	-	1 (<1%)	1 (<1%)	8 (10%)

Notes: **a) Based on data from Gheorghe and Baker 2023.[24] b) Percentages do not add up to 100 percent because some countries were excluded from the analysis, as explained in the methods and caveats section above. c) Somalia is excluded from the 2017 sample because economic growth projections were not available**.

However, there are some exceptions to this pattern. First, some countries have better economic growth prospects and transition projections than before the pandemic. For example, Côte d'Ivoire and Solomon Islands were expected to become re-eligible by 2040 based on 2017 data but are now likely to stay above the threshold based on updated projections. 2017 data suggested Cambodia may be eligible for support in 2040, but 2023 data projects it may now exceed the GNI threshold in this timeframe. Second, some countries (e.g., Lao PDR, Myanmar, and Sudan) had better economic growth prospects prior to the pandemic—and are now likely to remain below the GNI threshold and eligible for Gavi support through 2040. The trend for Kenya and Ghana is aligned with the 2017 projections.

Implications for Gavi

The prevailing fiscal outlook could have several potential implications for Gavi and global immunization financing and outcomes (see Box 2). Some countries that are poised to transition from Gavi may be less able (and less willing) to sustain—let alone increase—current levels of spending for immunization amongst competing priorities in health and other social sectors. As a result, countries

[24] https://www.cgdev.org/publication/country-transition-projections-2040-gavi-global-fund-and-world-banks-ida

could face difficulties meeting Gavi co-financing requirements going forward. And in instances where countries simultaneously face increasing co-financing requirements and/or undergo simultaneous transition from multiple global health mechanisms, there could be additional demands on limited public resources and related programmatic challenges.[25] For example, projections suggest Cambodia, Kyrgyz Republic, and Nepal may cross the eligibility thresholds for both IDA and Gavi by 2040, depending on the rate of annual inflation adjustment for each mechanism's threshold.[26]

Box 2. Potential implications and considerations for countries across Gavi's transition phases

The current fiscal context has several potential implications for immunization financing and outcomes across Gavi's three transition phases. As mentioned in the methods and caveats section, this analysis did not account for co-financing levels, which could be considered in additional, follow-on research.

Initial self-financing: Given the prevailing fiscal outlook, the length of time countries spend in this stage may be significantly longer, on average, than previous cohorts. Notably, World Bank analysis finds that many of these countries are expected to see health spending stagnate or even *drop* in the coming years.[27] Of the 23 initial self-financing countries included in this analysis for which World Bank estimates are available, five are currently in debt distress (Malawi, Mozambique, Somalia, Sudan, and Zambia), ten are at high risk of debt distress, and eight are at moderate risk.[28] Further, more than half of this total cohort of countries (17/28; 61 percent) are also characterized as fragile and conflict-affected, underscoring the need for Gavi to continue to adapt its modalities of support tailored to these settings.[29]

Preparatory transition: Similarly, challenging macroeconomic conditions could result in countries spending longer duration in this phase, until they cross the GNI eligibility threshold *and* are able to reach the recently introduced 35 percent minimum co-financing requirement to proceed to the accelerated transition phase. In some relevant instances, Gavi may therefore need to revisit co-financing requirements and/or new and different approaches to incentivize higher levels of co-financing amidst competing priorities in the health sector and beyond.

In other cases, some countries may exceed the 35 percent co-financing threshold before advancing to the accelerated transition phase. Countries may stay below the GNI eligibility threshold for several years due to slow or negative economic growth; however, they will still face the required annual increases in co-financing levels while in the preparatory transition phase. Gavi may therefore need to consider modifying the level or timeline of co-financing increases for some countries that will remain in the preparatory transition phase for extended periods of time.

Accelerated transition: Given the prevailing fiscal outlook, some countries undergoing accelerated transition may face acute constraints. World Bank projections suggest that per capita government spending on health is expected to contract for two of these countries (Papua New Guinea and

[25] https://www.cgdev.org/sites/default/files/projected-health-financing-transitions-timeline-and-magnitude.pdf
[26] https://www.cgdev.org/sites/default/files/country-transition-projections-2040-gavi-global-fund-and-world-banks-ida.pdf
[27] https://openknowledge.worldbank.org/entities/publication/846332e1-406e-4958-ab76-cdbbb968678a
[28] https://www.worldbank.org/en/programs/debt-toolkit/dsa
[29] https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations

Solomon Islands), stagnate for five (Djibouti, Kenya, Nigeria, Sao Tome and Principe, and Lao PDR), and only expand for three countries (Bangladesh, Cote d'Ivoire, and Ghana).[30]

As a result, countries may face challenges in rapidly ramping up co-financing levels to become fully self-financing within eight years. These difficulties may be particularly acute in countries like Bangladesh, Kenya, Cote d'Ivoire, and Djibouti that entered accelerated transition at less than 20 percent co-financing (prior to the 35 percent requirement introduced in December 2022).[31]

Further, some countries (Ghana, Lao PDR, and Sao Tome and Principe) are also in debt distress, further compounding challenges.[32] Notably, Ghana is facing high levels of debt, with a 50 percent ratio of interest payments on loans as a share of national revenues—while at the same time, it is one of three countries introducing the newer, more expensive RTS,S vaccine through Gavi's Malaria Vaccine Implementation Program.[33]

Finally, the trajectories of a subset of countries in this phase, like Bangladesh and Nigeria, will be consequential for global immunization efforts, especially given their large birth cohorts and highly variable and inequitable levels of immunization coverage.

In addition, the growing portfolio of supported vaccines also presents a challenge to transitioning countries with limited budgetary space for health. Indeed, the cohort of countries currently in or entering the accelerated transition phase already has a larger vaccine portfolio than previously transitioned cohorts.[34] The portfolio has increased from vaccines against four infectious diseases in 2000 to 19 in 2023.[35] Moreover, Gavi has recently introduced support for the Malaria RTS,S vaccine, and is utilizing the most recent vaccine investment strategy to consider other new and underused vaccines to add to its portfolio. Countries that are projected to transition but have less domestic spending available for immunization may experience challenges in introducing these new vaccines and may be concerned about trade-offs with sustaining and/or expanding vaccine coverage levels.

Finally, other health and socioeconomic factors could also have implications for a country's ability to manage aid transitions. For example, there is evidence that countries approaching transition from Gavi support have worse health outcomes, higher levels of inequality, and lower performance on governance indicators than cohorts of countries that previously underwent transition (see Table 2 in Annex B).[36] This could mean that some countries expected to transition in the coming years could be at risk of unsuccessful transition, potentially requiring new and additional tailored forms of support. Beyond financing, Gavi and its partners will also need to support countries to become self-sufficient in key health system capabilities like procurement, supply chain management, and public financial

[30] https://www.worldbank.org/en/topic/health/publication/from-double-shock-to-double-recovery-health-financing-in-the-time-of-covid-19
[31] https://www.gavi.org/sites/default/files/board/minutes/2022/7-8-dec/11b%20-%20FPR%20-%20Eligibility%20and%20Transition%20Policy%20and%20Co-Financing%20Policies.pdf
[32] https://www.cgdev.org/blog/fiscal-straitjacket-stifling-health-spending-developing-countries
[33] https://www.gavi.org/news/media-room/18-million-doses-first-ever-malaria-vaccine-allocated-12-african-countries-2023
[34] https://www.gavi.org/sites/default/files/board/minutes/2022/7-8-dec/11b%20-%20FPR%20-%20Eligibility%20and%20Transition%20Policy%20and%20Co-Financing%20Policies.pdf
[35] https://www.gavi.org/our-alliance/strategy/vaccine-investment-strategy-2024
[36] https://www.gavi.org/sites/default/files/board/minutes/2022/7-8-dec/11b%20-%20FPR%20-%20Eligibility%20and%20Transition%20Policy%20and%20Co-Financing%20Policies.pdf; https://centerforpolicyimpact.org/wp-content/uploads/sites/18/2018/03/Transition-from-foreign-aid_DukeCPIGH-Working-Paper-final.pdf

management, among other important functions to ensure programmatic and operational sustainability.

Takeaway 2: Projections suggest that roughly 40 countries are likely to remain eligible for Gavi support through 2040.

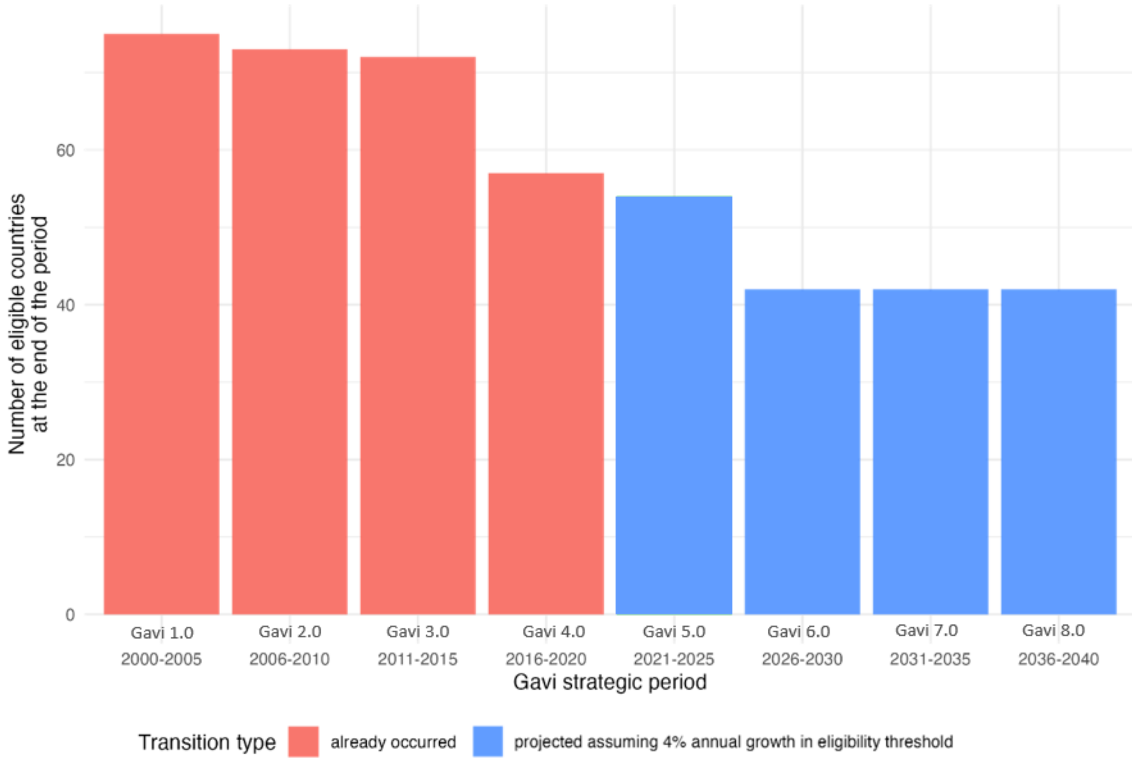
A sizeable cohort of approximately 40 countries—based on the four percent scenario—are likely to remain eligible for Gavi support well beyond the current Sustainable Development Goals (SDG) era (Figure 5). This total is almost double the number of countries projected to remain eligible for International Development Assistance through 2040 (21), but significantly smaller than the number of countries projected to remain eligible for support from the Global Fund through 2040 (87).[37] This comparison may suggest that Gavi's approach facilitates transitions to self-financed immunization programs in some instances, but Gavi's leadership should better tailor support and bolster sustainability amongst the cohort of roughly 40 countries going forward.

Several countries, notably those in the initial self-financing phase, are also likely to *diverge away* from Gavi's GNI eligibility threshold in the four percent scenario. This trend suggests limited prospects for transition and a potential for continued support for a very long timeframe under current policies. This cohort of approximately 40 countries represents around 60–70 percent of Gavi's disbursements for the 2017–2019 period.[38] (However, it is possible that increasing levels of co-financing from some of these Gavi-eligible countries may replace portions of this funding going forward.)

Most notably, we find only one other country (Cambodia) is projected to cross the GNI eligibility threshold (based on the four percent scenario)—and may enter the accelerated transition phase by 2026 if it meets other criteria.[39] No additional countries are expected to enter the accelerated transition phase between 2026 and 2040 in the four percent scenario. Seven additional countries (for a total of eight) are projected to enter the accelerated transition phase by 2040 in the two percent scenario.

[37] https://www.cgdev.org/sites/default/files/country-transition-projections-2040-gavi-global-fund-and-world-banks-ida.pdf
[38] This range is an estimate. Disbursements for countries currently below the GNI eligibility threshold that are projected to remain below the threshold up to 2040 represent about 60 percent of Gavi disbursements in 2017-2019. Countries currently above the GNI eligibility threshold that are projected to become re-eligible represent an additional 5 percent of disbursements. In addition, support has—and may continue to be—extended for some countries that make up a sizeable portion of Gavi's disbursements (e.g., Nigeria, Bangladesh), especially due to poor immunization coverage and fiscal challenges.
[39] Haiti, which is already above the GNI eligibility threshold yet has not entered the accelerated transition phase, could also proceed to this phase if it meets the additional eligibility criteria; however, it is unlikely to transition by 2040 due to its current political and social context.

Figure 5. Number of countries eligible (i.e., below the GNI eligibility threshold) for Gavi support at the end of each Gavi strategic period, 2000–2040 (actual and authors' projections based on the four percent scenario)



Implications for Gavi

If roughly 40 countries, representing the majority of Gavi's current budget (see Table 3 in Annex C), continue to remain eligible for Gavi funding well into 2040, Gavi's leadership, donors, and other alliance partners will need to contend head-on with longer-term commitments for support well beyond the SDG era. And relatedly, Gavi will need to rethink its overall approach and model to support progress towards programmatic and financial sustainability.

Projections based on the two percent scenario estimate closer to 30 countries, representing about 50 percent of Gavi's country disbursements, may remain eligible for Gavi support through 2040. As such, the exact inflation adjustment to the GNI per capita threshold is consequential for future transition and eligibility trajectories.

Gavi essentially has three core ways of focusing and prioritizing its budget: (1) adjusting the number of eligible countries; (2) adjusting the number of Gavi-supported vaccines as well the level of support;[40] or (3) adjusting the volume of doses of a particular vaccine supported for a given population.

[40] We acknowledge that Gavi also provides additional funding streams beyond vaccine procurement, including support for health systems strengthening.

With an expanding portfolio of vaccines and several additional new technologies in the pipeline, plus an eligibility policy that does not significantly advance transitions beyond 2026, the only choice if the overall budget remains flat is to reduce the volume of doses to eligible countries.[41] This is made substantially more challenging given high population growths projected in most of the approximately 40 countries that will likely remain eligible through 2040, alongside a likely scenario where donor funding flatlines or declines.[42] Gavi's leadership will therefore need to acknowledge these trade-odds as it considers adjustments to its eligibility, transition, and co-financing model, while also simultaneously defining its overall level of ambition for the next strategic period.

Policy options for evolving Gavi's approach to eligibility, transition, and co-financing in the next strategic period and beyond

To date, Gavi's GNI-based approach to eligibility has been well-suited to periods of sustained growth in low- and middle-income countries, enabling earlier cohorts of countries to progressively advance along the different phases of Gavi support. Indeed, Gavi's overarching model has successfully supported 19 countries to gradually increase financing for vaccines and become self-sufficient over time.

Gavi's model has also allowed for flexibilities with tailored policies to adapt to unique country circumstances. Recent modifications to the eligibility and transition policy—including the co-financing threshold and extended length of the accelerated transition phase approved in December 2022—are welcome signs of Gavi's ability and willingness to adapt to shifting trends, and demonstrate that combining flexibility, predictability, and transparency is possible.

Still, the post-COVID reality, where many countries are facing acute budgetary pressures amidst broader fiscal challenges and competing priorities in the health sector, suggests that Gavi must evolve its approach more substantively. One-off exceptions may be neither feasible nor sustainable going forward.

Gavi's next strategic period ("Gavi 6.0") is a critical window of opportunity to evolve its model to ensure it is responsive to country-specific challenges and able to deliver on its mission in a rapidly changing global landscape.

Below we highlight four policy recommendations:

1. **Rethink criteria for eligibility and align on core principles to determine how best to evolve the overall approach.**

Our findings suggest the dependence on a GNI-based threshold as the primary criterion for eligibility may no longer be fit-for-purpose in the post-COVID era where countries are facing acute budgetary pressures. A growing body of evidence also underscores the limitations of an income-based threshold.[43] Further, an income-based eligibility model also does not serve as a good proxy for a country's readiness for transition, as measured by a country's capabilities across different health system functions.

[41] In some instances, some vaccine prices may fall in the future, which could free up additional resources.
[42] https://www.cgdev.org/sites/default/files/country-transition-projections-2040-gavi-global-fund-and-world-banks-ida.pdf
[43] For example, see Appendix Exhibit A5 in: https://www.healthaffairs.org/doi/10.1377/hlthaff.2015.1079

Gavi's leadership, with input from partners and donors, should consider a range of possible options—from more incremental to more substantive changes—for evolving its approach to eligibility, transition, and co-financing going forward.

As an initial step, Gavi should consider additional indicators, to complement the GNI indicator, to better reflect countries' fiscal and programmatic readiness for transition. For example, an indicator like post-interest general government expenditure (GGE) per capita could be a valuable measure of fiscal space and ability to pay for immunization. Importantly, it is routinely collected, externally verified, and non-distortionary. Another potentially useful indicator could be the ratio of each country's GNI to the median GNI in the portfolio. A higher ratio could suggest that resources for that specific country should be prioritized less, relative to resources for countries with lower ratios. Measures that assess programmatic readiness for transition in terms of core health system capabilities, including functions such as priority setting, procurement, and supply chain management, could also be valuable.

Further, as Gavi revisits its eligibility criteria, it is also worth noting that inflation adjustments to the GNI threshold are consequential. Indeed, as our projections indicate, the exact annual inflation adjustment to the GNI threshold significantly shapes transition trajectories—and, importantly, the size of the cohort remaining eligible for Gavi support through 2040. More predictability would enable countries to plan for adequate and increasing financing (and co-financing) for immunization programs. Still, predictability will need to be balanced with broader consideration given to global prices. One approach could be to consider a fixed five-year inflation adjustment rate at the beginning of each strategic period.

Beyond incremental approaches to include additional criteria, efforts to explore bolder rethinking of Gavi's existing approach, such as a transition by vaccine rather than by country, should include more open discussion on the broader purpose of the eligibility policy. For instance, is it primarily a prioritization exercise, focusing resources on the populations with the most need, which may require a long-time horizon and motivate better alignment with specific disease burdens? Or does it represent a compact between donors and countries regarding the time-limited nature of donors' support, with a commitment to countries eventually self-funding core immunization services? Greater clarity in this core guiding principle will enable a more effective and fit-for-purpose eligibility policy, with criteria that better reflect its main purpose.

2. Re-examine Gavi's approach to prioritization of resources and value for money.

The above-mentioned review of Gavi's eligibility policy should be integrated into a wider effort to reassess Gavi's approach to prioritizing resources and achieving value for money. This exercise should consider the reality of constrained donor budgets and the increasing range of vaccines that could be supported, alongside rapidly rising populations in the roughly 40 countries that our projections suggest could remain eligible for Gavi support through 2040.

Gavi has a range of policies that have implications for value for money and prioritization of limited resources. These include its eligibility policy; country allocation formula that determines budget envelopes per country; its "prioritization mechanism" that kicks into gear when countries request more than the total funds Gavi has available; and the vaccine investment strategy that determines which new vaccines Gavi should support.[44] Alongside reviewing these approaches, potential areas for consolidation should be considered during the Gavi 6.0 strategy process. For instance, one potential consideration is whether a combined prioritization, allocation, and eligibility framework could serve as a useful mechanism to consider trade-offs between which countries are eligible, how much each country is allocated, and which technologies are funded.

A key discussion point for the board during the 6.0 strategy development process should be whether Gavi's primary obligation is to promote value for money of its resources or strengthen the value for money of combined donor and domestic health system resources. If stakeholders agree on the latter, then Gavi could conduct pilot efforts of a "marginal aid approach." [45] Under such an approach, substantial investments are made in national prioritisation capacity (e.g., by National Immunization Technical Advisory Groups) and domestic financing is the first source to fund the highest priority vaccines, leaving external donors such as Gavi to fund immunization at the "margin" (e.g., supplementary vaccines).

3. Modify Gavi's operating model and modalities of engagement, especially in fragile and conflict-affected settings.

Countries classified as fragile and conflict-affected represent a significant (already nearly 50 percent) and increasing portion of Gavi eligible countries—including a majority in the initial self-financing phase.[46] Therefore, Gavi will need to revamp its existing model, designed for long-term sustainable development, to improve immunization coverage in unstable, fragile, and humanitarian settings. Gavi must consider shifting its model to enable it to operate in such settings with greater agility and a higher risk tolerance (see related discussion in this CGD paper on a New Playbook for Gavi).

Further, Gavi, alongside other global health mechanisms, should reconsider modalities of engagement to support countries to build key health system capabilities such as procurement, supply chain, and public financial management.

4. Align and clarify approaches with other global health mechanisms.

Aligning and clarifying approaches with other global health mechanisms is critical to avoid duplication of efforts and set countries on a meaningful path to financial and programmatic sustainability. The boards and leadership of global health mechanisms—including Gavi, the Global Fund, and the Global Financing Facility, among others—should advance efforts to align the principles and criteria of their transition policies; resolve coordination challenges (e.g., how Gavi and the Global Fund will work on R21 and future tuberculosis vaccines, and how they could more effectively pool resources at the national level); collaborate to support national priority setting systems; and pilot new approaches to joint domestic and donor financing of health services, such as "marginal aid."[47] This coordination will be challenging and time-consuming, but it will help reduce

[44] https://www.gavi.org/sites/default/files/support/Gavi-5_0-Ceilings-by-country-and-support-type.pdf; https://www.gavi.org/programmes-impact/programmatic-policies/prioritisation-mechanism; https://www.gavi.org/our-alliance/strategy/vaccine-investment-strategy-2024#introduction
[45] https://www.cgdev.org/blog/putting-aid-its-place-new-compact-financing-health-services
[46] https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations
[47] For a snapshot of coordination efforts between Gavi and the Global Fund, see: https://www.theglobalfund.org/media/13174/partnership_gavi-global-fund_report_en.pdf

complexity for countries receiving support and improve overall efficiency. It is vital that the board of each respective mechanism underscores this effort as a priority.

Conclusion

Our analysis using up-to-date macroeconomic projections to map countries' prospects for transition from Gavi between 2023–2040 yields two key findings. First, compared to pre-COVID projections, transition prospects have mostly stayed consistent, with a few exceptions. Importantly, the upcoming cohort of transitioning countries will lose access to Gavi funding under more challenging fiscal conditions than originally anticipated. Second, roughly 40 countries could remain eligible for Gavi support through 2040, raising questions about longer-term funding commitments well beyond the SDG era, and suggesting a need for alternative paths towards financial, programmatic, and operational sustainability.

The prevailing macro-economic climate points to serious challenges with Gavi's current approach to eligibility, transition, and co-financing. Specifically, the dependence on a GNI-based threshold as the primary criterion for eligibility may no longer be fit-for-purpose in the post-COVID era. Gavi's next strategic period ("Gavi 6.0") is an opportunity to evolve the model to be responsive to country-specific challenges and deliver on its mission in a rapidly shifting global landscape.

Annex A

Note comparing our results to Gavi's transition projections up to 2030

Both Gavi's projections (up to 2030) and our analysis, in the four percent scenario, suggest that seven countries are likely to stay above the GNI threshold and transition from Gavi support by 2040.[48] Gavi also anticipates transitions in 2029 for the two additional countries that we project will likely stay above the threshold in the two percent scenario (marked with an asterisk below).

Based on the recently updated eight-year duration for the accelerated transition phase, Gavi anticipates these countries will transition in the following years:

- 2025: Papua New Guinea and Solomon Islands
- 2026: Sao Tome and Principe
- 2028: Nigeria
- 2029: Bangladesh, Côte d'Ivoire, Djibouti, Kenya, and Ghana (see below)

Notably, our analysis raises concern about three countries currently in the accelerated transition phase. Gavi anticipates successful transitions for Lao PDR in 2025 and Kenya and Ghana in 2029; however, our analysis suggests these three countries may be at risk of backsliding and becoming re-eligible for Gavi support, depending on the rate of annual inflation adjustment for the eligibility threshold.

48 https://www.gavi.org/sites/default/files/investing/funding/resource-mobilisation/MTR23_Report_FULL_eng.pdf#page=28

Annex B

Table 2. Comparison of countries that previously transitioned and are currently transitioning from Gavi support

	Country	DTP3 coverage[49]	GDP per capita growth (annual %)[50]	General government gross debt as % of GDP[51]	Birth cohort[52]	Gavi support as % government health expenditure[53]	Fragility and conflict classification[54]
Previously transitioned from Gavi support	Bhutan	98	3.4	123.4	9,703	*Not applicable*	
	Mongolia	95	0.0	69.9	71,668		
	Honduras	78	10.8	46.3	216,645		
	Sri Lanka	98	2.4	No data	305,877		
	Guyana	98	19.0	29.9	16,375		
	Indonesia	85	3.0	39.0	4,496,000		
	Kiribati	91	5.8	13.1	3,510		Fragile
	Moldova	88	14.8	35.1	38,146		
	Angola	42	-2.0	84.9	1,339,000		
	Armenia	93	6.3	47.9	33,700		
	Azerbaijan	83	5.2	18.2	127,085		
	Bolivia	69	4.8	80.8	263,820		
	Cuba	100	1.7	No data	100,445		
	Georgia	85	10.9	39.6	50,430		
	Timor-Leste	86	3.6	16.4	32,976		Fragile
	Viet Nam	91	1.7	34.0	1,463,000		
	India	93	8.2	81.9	23,114,000		
	Nicaragua	92	8.8	41.5	140,589		
	Uzbekistan	99	5.3	35.1	802,875		
	Average for cohort	**88**	**6.0**	**49.2**	**1,717,149**		
Currently in the accelerated transition	Bangladesh	98	5.7	39.4	3,020,000	5.05	
	Côte d'Ivoire	76	4.4	56.8	932,943	5.65	
	Djibouti	59	3.3	41.8	24,541	4.58	
	Ghana	99	3.3	84.9	904,679	3.84	
	Kenya	90	5.5	70.2	1,468,000	1.98	
	Lao PDR	80	1.1	121.7	163,261	3.63	
	Nigeria	62	1.2	38.8	7,923,000	6.37	Conflict
	Papua New Guinea	36	-1.9	49.5	253,720	1.80	Fragile

[49] 2022 WUENIC estimates from: https://worldhealthorg.shinyapps.io/wuenic-trends-2023/
[50] Estimates from 2021—the most recent year for which data is available for all countries. Source: https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG
[51] Data from October 2023 World Economic Outlook: https://www.imf.org/external/datamapper/GGXWDG_NGDP@WEO/OEMDC/ADVEC/WEOWORLD
[52] Estimated number of births in 2021—the most recent year for which data is available for all countries. Source: https://data.unicef.org/resources/data_explorer/unicef_f/?ag=UNICEF&df=DM&ver=1.0&dq=.DM_BRTS...&startPeriod=2021&endPeriod=2021
[53] Gavi disbursement data is from the International Aid Transparency Initiative, as cited in the methods and caveats section above. Global health expenditure reflects the average (in million current US$) across 2017-2019 from: https://apps.who.int/nha/database#:~:text=The%20Global%20Health%20Expenditure%20Database,open%20access%20to%20the%20public
[54] Countries labelled as "fragile" are classified as having "institutional and social fragility" according to the World Bank. Similarly, countries are labelled as "conflict" if classified accordingly by the World Bank. Source: https://www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations

	Sao Tome and Principe	97	-0.2	58.5	6,318	10.98	Fragile
	Solomon Islands	89	-2.9	22.2	21,098	5.11	Fragile
	Average for cohort	**79**	**2.0**	**58.4**	**1,471,756**	**4.90**	

Annex C

Table 3. Projections for top 20 recipients of Gavi disbursements

Country	**Average proportion of total Gavi spend (2017-2019) (%)**[a]	**Above/below eligibility threshold in 2040 based on 4 percent scenario**[b]	**Above/below eligibility threshold in 2040 based on 2 percent scenario**[c]
Pakistan	9.67	Below	Below
Nigeria	9.01	Above	Above
Democratic Republic of the Congo	7.13	Below	Below
Ethiopia	5.53	Below	Above
Bangladesh	5.13	Above	Above
Tanzania	3.50	Below	Below
Uganda	3.10	Below	Below
Sudan	2.87	Below	Below
Kenya	2.23	Below	Above
Myanmar	2.19	Below	Below
Mozambique	2.15	Below	Below
Ghana	2.14	Below	Above
Côte d'Ivoire	1.99	Above	Above
Burkina Faso	1.91	Below	Below
Niger	1.75	Below	Below
Mali	1.47	Below	Below
Republic of Yemen	1.40	Below	Below
Burundi	1.32	Below	Below
South Sudan	1.32	Below	Below

Note: a) Disbursements are averaged over 2017–2019 to obtain stable estimates. b) Based on WEO April 2023 data. GNI per capita in Nigeria, Bangladesh, and Côte d'Ivoire already exceeded Gavi's eligibility threshold in 2023. c) Based on WEO April 2023. GNI per capita in Nigeria, Bangladesh, Kenya, Ghana, and Côte d'Ivoire already exceeded Gavi's eligibility threshold in 2023.

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