

Cash crisis looms for vaccine drive

Rising demand for immunization programmes in developing countries could outstrip funding.

Up to 4.2 million people, mostly young children, will die needlessly over the next 6 years unless donors fill a looming multi-billion-dollar shortfall in the budget of the GAVI Alliance.

The warning from GAVI, which focuses on getting vaccines into low-income countries, is contained in advocacy documents it sent to its donors last weekend, in the run up to an extraordinary meeting due to be held on 25–26 March in The Hague, the Netherlands. It is the first time that the global-health partnership, based in Geneva, Switzerland, has brought together all of its major donors — countries and philanthropic organizations — at a single fund-raising event. It is also a sign of the current woes at the organization, which since its creation in 2000 has taken vaccination rates in low-income countries to record highs. “The funding crisis at GAVI is acute,” says Daniel Berman, deputy director of the Access to Essential Medicines Campaign at the medical charity Médecins Sans Frontières.

According to the World Health Organization, GAVI has immunized more than 250 million children and prevented some 5.4 million premature deaths over the past decade. But it now risks becoming a victim of its own success, with demand for its immunization efforts outstripping donor contributions just as the financial crisis has begun to bite.

The GAVI documents show that its projected spending for 2010–15 is US\$7 billion, which, given existing and promised donations, leaves a \$4.3-billion shortfall. If existing donors maintain their funding at current levels, the shortfall would shrink by \$1.7 billion, leaving enough money to maintain existing programmes. But GAVI’s future initiatives would stall. It had hoped to roll out two additional vaccines between now and 2015, spending \$2.4 billion on a campaign against pneumococcal disease and \$750 million to tackle rotavirus. Together, these would reduce pneumonia and diarrhoea, which are the top two vaccine-preventable causes of child deaths and account for around 40% of deaths in children under five — a key target in achieving the United Nations’ Millennium Development Goals on global health.

The fund-raising meeting will focus on soliciting new donors to broaden GAVI’s funding base. Around 80% of GAVI cash comes from a handful of country donors (see ‘Few funders for vaccines’), which has left the alliance highly vulnerable during the global economic downturn



GAVI has immunized hundreds of millions of children.

to funding reductions by only a few nations.

GAVI is hoping that one of its key financial innovations, the International Finance Facility for Immunisation, will prove particularly recession-proof. The facility does not require countries to put money on the table immediately, but rather to make 10–20-year legally binding commitments, which the facility then borrows against on capital markets. New long-term pledges by countries or foundations could help the alliance to free up cash in the short term, says Joelle Tanguy, a GAVI spokeswoman.

The billion-dollar question is how much cash might be forthcoming from the Bill & Melinda Gates Foundation, a founder of GAVI that has pledged \$1.55 billion to the alliance up to 2014. In January, the foundation promised \$10 billion to support a ten-year effort to research, develop and deliver vaccines, but declined to comment on how much of that will go to GAVI. It will be difficult for donors at the Hague meeting to

come to decisions without a firmer idea of any extra contribution by the foundation, says Berman.

GAVI’s activities are widely applauded, but even supporters say that it could be doing more to make its funds go further. Vaccines amount to 80% of its costs, and Médecins Sans Frontières, for example, has criticized as “too lucrative for the drug industry” an ‘advance market commitment’ deal that GAVI and its partners signed in June 2009 to secure lower prices for pneumococcal vaccines. GAVI promised to guarantee a \$1.5-billion market as an initial incentive to roll out the vaccines; in exchange, drug companies including Glaxo-SmithKline agreed to charge \$7 per dose for the first batches of vaccine and \$3.50 in the longer term, compared with the \$70 per dose charged in rich countries.

But GAVI should have got a better deal, says Berman. “The crisis is a good opportunity to make some reforms of how GAVI works,” he says. He suggests that it needs to pursue more aggressive policies to promote greater competition between vaccine makers to further reduce prices. For example, the Meningitis Vaccine Project, funded by the Gates Foundation, is developing a meningitis vaccine that will be manufactured by the Serum Institute of India in Pune, and will cost just \$0.40 per dose. Tanguy says that GAVI’s \$7-billion projected spending up to 2015 already takes into account its goal of saving \$1 billion on vaccines, and that cutting vaccine prices is “one of our critical strategies”.

The US government should also help, according to Bill Gates, who testified at a US Senate committee hearing last week on President Barack Obama’s global health plans. Although getting more US government money for global health would be an “uphill battle”, he said, funding for GAVI should get high priority.

The Obama administration intends to spend \$9.7 billion on global health in its 2011 budget, 80% of which would go towards fighting AIDS (through the President’s Emergency Plan for AIDS Relief) and malaria. The budget includes a modest increase in GAVI funding, from \$78 million to \$90 million.

“An investment in GAVI will give American taxpayers the best bang for their buck,” said Gates, “and the committee should consider increasing the level of funding beyond the administration’s request.”

Declan Butler

FEW FUNDERS FOR VACCINES

About 80% of GAVI’s funding comes from just seven donors — Japan and Germany are notably absent.

