Brief 2: Immunization Resource Needs, Planning, and Budgeting

Immunization financing cannot be considered in isolation from overall health sector financing, planning, and budgeting. The manner in which health services are financed will influence the effectiveness and outcomes of the health system. Health financing is concerned with how financial resources are generated, allocated, and used in health systems. Health financing systems have three important functions: to raise sufficient funds for health; to pool these funds to spread the financial risks associated with paying for care; and to use the available funds to purchase and provide the desired health services.

There are many ways to classify the different types of health and immunization financing options. In this Toolkit, we focus on how funding for immunization programs and new vaccines is generated, organized, and used. Funding can come from domestic sources or external agencies. In addition, funding may come from private sources or public resources, such as tax payments. In many cases, a financing mechanism may rely on a mix of funding sources. Funding can be channelled through national budgetary processes, pooled into managed funds, or used to establish innovative financing mechanisms.

Health financing systems focus on revenue collection, pooling, and purchasing. Mechanisms available to countries include health insurance, contracting for services between ministries of health and NGOs, performance-based agreements between health workers and their facilities, or purchasing of vaccines through revolving funds or Advanced Market Commitments (AMCs).

What needs to be financed?

Each government needs to determine the amount of financing needed to support the resource requirements of its national immunization program (routine) and of Supplementary Immunization Activities (SIAs). Immunization program resource requirements include the cost of health personnel, including management and supervision; vaccines; safe injection and other supplies; training, cold chain equipment and maintenance; recording and reporting tools; social and community mobilization; transportation and vehicles; and, cold stores and facilities.

In late 2005, as part of the implementation of the Global Immunization Vision and Strategy (GIVS), the WHO and UNICEF, together with GAVI Alliance partners, established guidelines for developing a comprehensive Multi-Year Plan (cMYP) to support countries in improving their immunization planning. This cMYP simplified and harmonized various immunization planning activities at national level to reduce duplication of efforts and transaction costs, and increase alignment with national systems. The cMYP process has streamlined the immunization planning process at national level into a single, comprehensive and costed plan. The cMYP Costing and Financing Tool estimates the current and past costs and financing of immunization programs, and makes projections of future resource requirements and financing in order to evaluate corresponding financing gaps.
The resource requirements and financing gaps reflected in the cMYP should be more fully integrated into national health planning and budgeting frameworks such as the annual or multi-year health budget and, ultimately, Medium-Term Expenditure Frameworks (MTEFs) which are three-year rolling planning and budgeting processes. Too often the cMYP is viewed as a stand-alone and separate exercise, and the cost estimates contained therein are not integrated within national budgets. The resource requirements of the national immunization program are therefore not fully represented in health sector budget discussions. As a result, national programs are underfunded relative to their requirements.

Since immunization programs are vying for government resources alongside many other priority health programs, there is interest to know how the total resource envelope for health may be increased. Fiscal space is the availability of budgetary room that allows a government to provide resources for a specific purpose without endangering the sustainability of a government’s financial position. There are five ways for a government to increase the fiscal space available to the health sector, and to national immunization programs more specifically:

- More resources are allocated to the health sector, leading to greater allocations for specific programs such as immunization
- Within the health sector, resources are allocated from least to more cost-effective services, such as immunization
- The immunization program is run more efficiently and can do more with the same level of resources
- There is new financing from sources not previously tapped, such as new taxes or lotteries
- There is new donor funding (grants or debt relief)

Figure 2.1 Expanding fiscal space for immunization

How can different immunization financing options be assessed?

Financing arrangements can be complex. They can also differ greatly in their effect on the efficiency and equitability of service delivery and resource mobilization. Understanding the various characteristics of alternative financing options can help program managers and policy-makers select the best set of options tailored to their specific country context and priorities.

Countries will have different goals for their immunization program, and mechanisms for financing the program can contribute to achieving these goals. While the type of financing mechanism does not directly determine how well an immunization program performs, it can have a substantial effect on performance. For example, user fees may reduce utilization of services and project grants may increase the transaction costs and reduce policy ownership by the national government. The optimal package of financing mechanisms will be specific to each country and national program.

In this Toolkit, the range of immunization financing options is assessed relative to a core set of questions:

- Is the financing option predictable?
- Is it additional to current government financing?
- Is the option equitable?
- Is it efficient?
- Is it feasible?
- Is it sustainable?
- Does it promote self-sufficiency?
- Does it foster greater accountability?

These characteristics are outlined in Table 2.1.

Further Reading


http://www.who.int/immunization_financing/analysis/JVAC_8566_LydonP.pdf

World Health Organization. cMYP Financing Tool:
### Table 2.1 Characteristics of financing options for national immunization programs

<table>
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<tr>
<th>Characteristic</th>
<th>Description</th>
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<tr>
<td>Predictable</td>
<td>The extent to which financing sources provide a steady stream of resources. Having predictable sources of financing will enhance overall planning and budgeting for the national immunization program and improve its effectiveness. Predictable funding sources will be those that a national program can count on, in terms of volume and timeliness.</td>
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<td>Additional to government financing</td>
<td>The extent to which a particular financing source provides resources that are above and beyond the existing government financing levels, and so increases the overall funding envelope. Sources that do not necessarily add resources to the funding envelope may be highly fungible.</td>
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<td>Equitable</td>
<td>The extent to which financing sources will have an impact on equity of resource allocation (by socio-economic, geographic, and gender, among other criteria). A financing source that enhances equity would ensure that the poor are not disproportionately burdened by the financing requirement, nor denied access because of their inability to pay. This is particularly relevant for domestic sources of revenue.</td>
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<td>Efficient</td>
<td>The extent to which the financing source creates additional transaction costs, such as additional reporting or auditing requirements, as a requirement to obtain financing. Efficiency refers to attaining the same level of outcome for less cost. Efficiency can also be related to how flexible the use of funding is. Greater earmarking may reduce efficiency. Financing might also be designed (i.e., through specific incentives) to stimulate efficient provision of immunization services.</td>
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<td>Feasible</td>
<td>The extent to which the option is technically complex, requiring development and coordination among a variety of systems and institutions, and skilled personnel for implementation.</td>
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<td>Sustainable</td>
<td>The extent to which a financing source provides long-term support. Some financing sources generate funds on an on-going basis, and others are much more time-limited.</td>
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<td>Promotes self-sufficiency</td>
<td>The extent to which the financing source allows a country to become less reliant on external funding sources. Funding from domestic sources is by definition the most self-sufficient source. Self-sufficiency can be related to whether the financing source supports improved capacity to procure vaccines and inputs.</td>
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<td>Fosters greater accountability</td>
<td>The extent to which a financing option fosters open, transparent, accurate, and shareable information regarding the source, allocation, and use of resources for immunization services. Accountability is related to governance of the health sector.</td>
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