



# ASSESSING BOTTLENECKS TO ADEQUATE AND PREDICTABLE VACCINE FINANCING

## Experiences from Nigeria

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# Objectives

- ❑ To discuss how transition planning in Nigeria led to a better understanding of vaccine financing challenges across the budget cycle
- ❑ To share the World Bank's Bottleneck Analysis tool for identifying root causes of constraints to adequacy and predictability
- ❑ To highlight how the Government of Nigeria and Gavi Alliance partners used the Gavi transition planning process to overcome weaknesses in vaccine planning, forecasting and budgeting
- ❑ To discuss whether policy actions taken to prepare for transition planning are mitigating the impact of COVID-19 on vaccine financing

## Based On Nigeria And Other Countries, Organized Challenges Across Budget Cycle

Identification of bottlenecks	Before transition	During transition	Comments
<b>Strategic Planning</b> <i>Are the full vaccine financing requirements factored into a costed national health plan?</i>	NO	YES	Nigeria previously used the cMYP but in preparation for transition developed the National Strategy for Immunization and PHC System Strengthening (NSIPSS). This represented an improvement on many fronts and was important for getting all government Ministries & partners to align behind a common vision.
<b>Forecasting</b> <i>Are the vaccine projections accurate, feeding in budget processes?</i>	NO	YES	Nigeria has made several changes to the forecasting estimates to make estimates accurate and explicit and to increase capacity/institutionalize the process.
<b>Budget preparation</b> <i>Were resources for vaccines included in the budget and which donors are involved?</i>	NO	YES	Examines cofinancing to Gavi and the various sources of government financing, and issues of sustainability. Nigeria's reliance on loans, combined with challenges of budget execution/release to the capital budget, needed to be explicitly addressed to ensure sustainability.
<b>Approval</b> <i>Who approves the vaccine financing budget and how?</i>	NO	YES	Several changes were made to elevate the dialogue around vaccine financing approvals from 2018. The vaccine budget is approved by parliamentarians and reviewed by the vaccine financing group, and approved in the MTEF.
<b>Budget execution</b> <i>Once approved, was the vaccine budget fully released from MoF and on time?</i>	NO	YES	Nigeria has faced challenges with budget execution/releases, but vaccines were protected when financed through loans. However, in the context of transition from Gavi budget execution issues needed to be addressed.
<b>Budget Monitoring/Evaluation</b> <i>Does budget meets the needs for vaccine financing?</i>	NO	NO	Nigeria acknowledged the unreliable numbers and low coverage, which was important for serving as a baseline. Efforts are being made to strengthen state-level accountability.

# Applying the tool in Nigeria (subset of questions)

Identification of bottlenecks	Before transition	During transition	Comments
<b>1 Strategic Planning</b> Are the full vaccine financing requirements factored into a costed national health plan?	NO	YES	Previously, the cMYP estimates overestimated the cost; not fed into health budget planning or linked to availability; not based on actual need (was based on target population without considering coverage, wastage, state forecasts, etc.)
<b>2 Forecasting</b> Is the government involved in the preparation of its own forecasts for vaccine financing needs and are they in a position to feed them into the budgeting process (in the absence of UNICEF)?	NO	YES	UNICEF has been building capacity; the forecasting exercise was previously done at the national level but is now done at the state level. This is a huge improvement.
<b>3</b> Are the resource needs projections accurate and do they use the best data available?	NO	IMPROVING	There has been increased attention on this in the NSIPSS; but still much room for improvement.



**FOR FULL TOOL, PLEASE SEE ANNEX**

# Strategic Planning

## Nigeria's National Strategy for Immunization and PHC Systems Strengthening (NSIPSS)

- ❑ In preparation for transition, Federal Government of Nigeria developed the National Strategy for Immunization and PHC Systems Strengthening (NSIPSS)
- ❑ This strategy served as the basis for the Gavi transition plan and was linked to an Accountability Framework to demonstrate commitment to improving immunization in the context of the Gavi transition
- ❑ Accountability framework was backed by Letter of Commitment, signed by three Federal Ministries (Ministries of Finance, Health and Budget and National Planning)



# NSIPSS is accompanied by an 'Accountability framework' which has the backing/commitment of 3 Ministers

- Accountability framework developed to chart way forward and hold government accountable for certain targets
- Two top level indicators for agreement: 1) improved fiduciary accountability/financial management; 2) and timely payment of vaccine co-financing to Gavi
- Other targets include: increased domestic financing for health, PHC, and vaccines; improvements in the share of budget released; increased institutional capacity for vaccine financing; coverage increases, improved data quality; strengthened vaccine accountability, and other factors.
- Document was signed by 3 Ministers – Finance, Budget and National Planning, and Health
- Backed by budgetary allocations in the Service Wide Votes (a contingency line item) and public statements by Government officials
- Provides a framework for less reliance on World Bank IDA credit for vaccines financing over time.

# Forecasting: Strengthening estimates of need has been an ongoing process...with much improvement

Estimates of resource need have become more accurate under NSIPSS given:

- ❑ Use of state specific and more realistic coverage targets
- ❑ Strengthening institutionalization of vaccine financing through vaccine financing working group
- ❑ Strategic timing of new vaccine introductions
- ❑ Improvements in vaccine accountability and efforts at reducing wastage
- ❑ Improved vaccine forecasting (state-level)
- ❑ Improvements in data quality
- ❑ Improvements in cold chain capacity (CCEOP)
- ❑ Improvements in service delivery, demand, etc

## Budget preparation and approval: Government has made much improvement in allocating budgetary resources for vaccines

- Three-year medium-term expenditure framework (MTEF) proposals and public pronouncements by the DG of Budget, Ministry of Finance, Budget and National Planning, were positive developments
- Careful planning has been done by Vaccine Financing and Logistics Working Groups to estimate resource need and resource gap
- Misalignment between the fiscal and calendar year and delays in budget calendar made estimating financing commitments per year challenging because budget is passed in one year and executed in another year; This has been resolved in the 2020 fiscal year
- Government used World Bank loan to close gap, while also transitioning to domestic financing

# Budget execution and monitoring

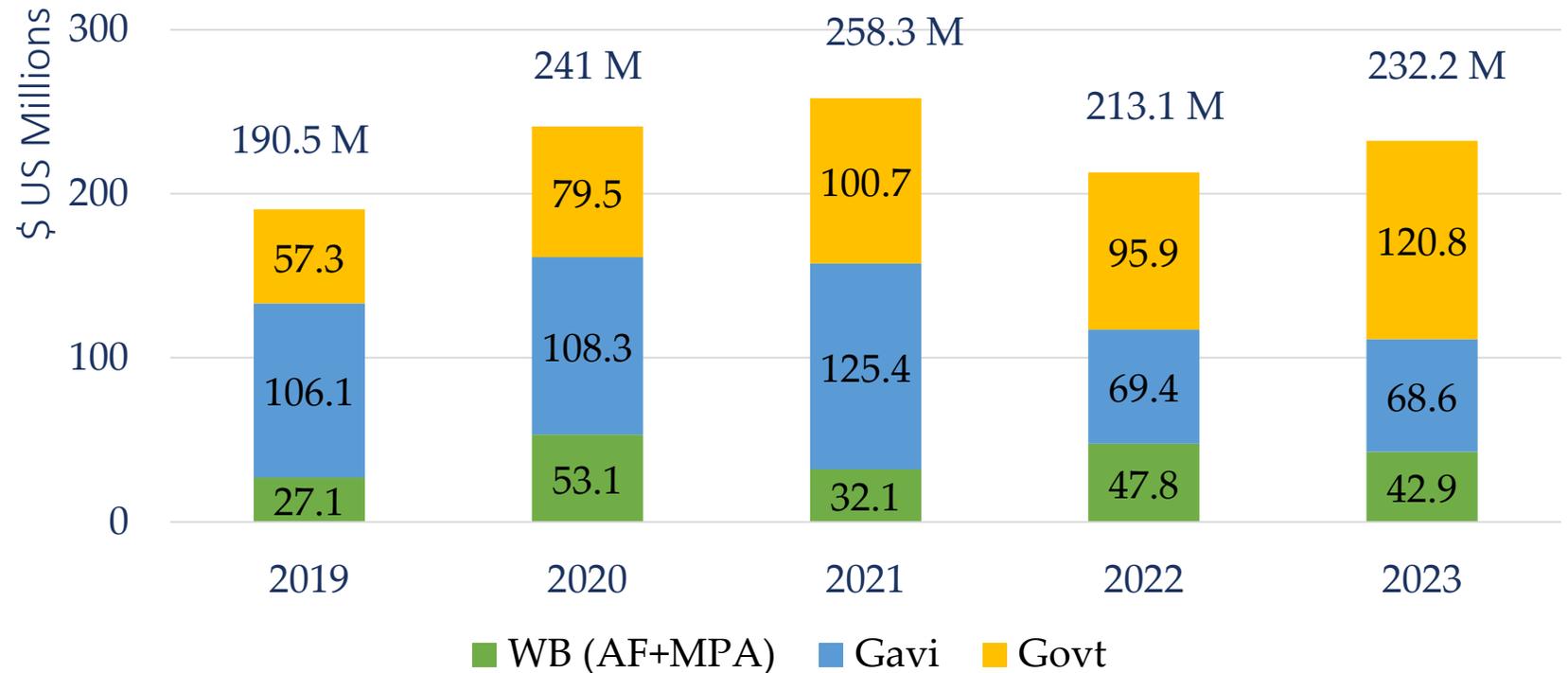
- Broader work being done to improve budget execution in health and other sectors
- Accountability framework also holds government accountable for releases of financing for vaccines
- Efforts underway to improve vaccine accountability and reporting (e.g., wastage rates)
- Improved quality/reliability of coverage data is essential for strengthening accountability

# Country vaccine resource needs – latest estimates, \$US (09/2019)

## AF Indicator #6:

Proportion of annual vaccine procurement expenditure released from government budgetary resources

Estimated vaccine funding by source (USD)  
2019 - 2023



# The Transition Plan is helping to mitigate the Impact of Covid-19 on Vaccine Financing

Budget Category	Original 2020 Budget (Naira)	Revised 2020 Budget (Naira)
Basic Health Care Provision Fund	44,498,247,834	25,560,101,312
FMOH recurrent budget	336,322,463,885	336,597,463,881
FMOH capital budget	46,477,832,301	44,732,174,920
SWV- Gavi immunization contribution	22,734,412,586	26,834,060,757
GF Counterpart funding	5,500,000,000	5,500,000,000
SWV- COVID-19 crisis intervention Fund	0	213,597,880,667
COVID-19 crisis intervention Fund (incremental capital)	0	100,032,119,333

- Advocacy and sustained engagement with MoF and Legislature ensured that vaccine financing is prioritized in spite of shortfall in government revenues;
- The Federal Ministry of finance, budget and national planning has taken steps to augment vaccine budget gap due to exchange loss
- Financing of new vaccine introduction (Rota and HPV) continuing despite the economic downturn;
- Additional resources are being channeled towards reorientation of frontline health workers for to support immunization and other PHC services at the facility level

THANK YOU





# ANNEX: OVERVIEW OF BOTTLENECK TOOL APPLIED TO NIGERIA

# Applying the tool to vaccine financing in Nigeria

Identification of bottlenecks	Before transition	During transition	Comments
<p><b>1 Strategic Planning</b> Are the full vaccine financing requirements factored into a costed national health plan?</p>	NO	YES	Previously, the cMYP estimates overestimated the cost; not fed into health budget planning or linked to availability; not based on actual need (was based on target population without considering coverage, wastage, state forecasts, etc.)
<p><b>2 Forecasting</b> Is the government involved in the preparation of its own forecasts for vaccine financing needs and are they in a position to feed them into the budgeting process (in the absence of UNICEF)?</p>	NO	YES	UNICEF has been building capacity; the forecasting exercise was previously done at the national level but is now done at the state level. This is a huge improvement.
<p><b>3</b> Are the resource needs projections accurate and do they use the best data available?</p>	NO	IMPROVING	There has been increased attention on this in the NSIPSS; but still much room for improvement.

## Identification of bottlenecks

Before transition

During transition

## Comments

4 Are assumptions of vaccine financing made explicit?

NO

YES

Yes, in the NSIPSS and a steering committee is constantly assessing whether or not the country is ready to roll-out new vaccines.

5 Are the projections taking into account variations in the exchange rate?

YES

YES

Yes, although inflation is high, Nigeria's exchange rate for the purpose of costing uses a consistent official Govt exchange rate.

6 Are vaccine financing estimation grounded in reality of coverage rates and will they demonstrate results?

NO

YES

Only recently and this was due to NSIPSS; previously estimates were based on the full birth cohort, even though coverage was very low.

7 **Budget Preparation**  
Was the full resource need for co-financing included in the budget?

NO

YES

Started after the Accountability Framework was set up.

8 Was the full resource need for non-Gavi vaccines included in the budget?

NO

YES

Started after the Accountability Framework was set up.

Identification of bottlenecks	Before transition	During transition	Comments
<b>9</b> Was Gavi the only donor involved in financing vaccines at any time in the last five years? Please name any other donors/partners who supported.	NO	NO	The World Bank loan is a major source of financing for vaccines..
<b>10</b> Where in the budget is co-financing captured? Please indicate your answer	Capital Budget	SWV	Traditional and co-financed vaccines covered in service wide votes
<b>11</b> Is co-financing of Gavi vaccines captured in the same place as other non-Gavi vaccines?	NO	YES	Traditional and co-financed vaccines covered in service wide votes
<b>12</b> Is the mechanism for vaccine financing (line item) specific to vaccines?	YES	NO	No. it is in service wide votes, which is a contingency line item that could be used for other purposes. The only thing that commits it to vaccines is the Accountability Framework, which ends in 2028.
<b>13</b> Is the budget for vaccines transparent?	NO	YES	Yes, but only after the Accountability Framework.

## Identification of bottlenecks

Before transition

During transition

Comments

14

Is EPI program and MoH aware of where in the budget vaccines are financed and when payments are needed?

NO

YES

Yes, now that the vaccine financing working group is in place.

15

**Approval Process:**  
Was the cofinancing budget for vaccines reviewed previously by policy makers including MoH and/or MoF?

NO

YES

Yes, as part of the vaccine financing group

16

Was budget for vaccines approved before payment was needed?

NO

YES

Yes, as part of the vaccine financing planning

17

Was the cofinancing budget for vaccines approved by parliamentarians?

YES

YES

The cofinancing budget is approved by parliamentarians when they vote for the national budget.

18

Is there a health committee to advocate for vaccine budget?

NO

YES

Yes, the house and senate health committees

Identification of bottlenecks	Before transition	During transition	Comments
<b>19</b> In transition countries, are government financing needs for vaccines included in a multi-year planning process such as a medium-term expenditure framework (MTEF) ?	NO	YES	Yes but for the first time only in 2018.
<b>20</b> Was the health budget approved on time, thereby leading to on-time budget implementation?	NO	NO	There was budget implementation delay for several months. This resulted in frontloading of vaccine financing with World Bank loan.
<b>21</b> <b>Releases/Execution:</b> Once approved, was the vaccine budget fully and on time released from MoF?	NO	YES	Yes, it came from service wide votes
<b>22</b> If No. Can budgetary units in MOH plan and commit expenditure for at least 6 months in advance?	N/A	N/A	
<b>23</b> If No. Is any stock of arrears manageable (less than 2)?	N/A	N/A	

Identification of bottlenecks	Before transition	During transition	Comments
24 If No. Is there a mechanism in place (e.g., warrant, pre-financing from UNICEF), to allow vaccines to be paid prior to release of funds?	N/A	N/A	
25 If No. Is the budget for non-HR. close to fully executed at end of year?	N/A	N/A	
26 If No. Was payment of high impact cost-effective interventions prioritized?	N/A	N/A	Yes
27 Were the payments for vaccine cofinancing made on-time? If No. Describe why. Order of payments? No budget for discretionary spending/capital?	YES	YES	Cofinancing payments have always been made on time but the country has used the World Bank loan to fill the gap due to insufficient government financing, delays, etc.
28 If No. Were vaccine needs prioritized over other needs?	YES	YES	Yes, and always made cofinancing payments

Identification of bottlenecks	Before transition	During transition	Comments
<b>29</b> <b>Budget Evaluation/Monitoring</b> Was the number of vaccines sufficient in the last year? If No. Please indicate the possible cause	YES	YES	Any stock-outs were due to other reasons
<b>30</b> Is there a low/acceptable wastage rate? (after accounting for the buffer stock)	NO	NO	Wastage is extremely high in Nigeria. Previously, vaccines were procured for 100% of the population but coverage of DTP3 was only 33%.
<b>31</b> Does budget for vaccines meet the need for vaccines?	NO	NO	The domestic budget accounted for a very small share of financing