

**STATEMENT OF NATASHA F. BILIMORIA  
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GAVI, THE VACCINE ALLIANCE**

**SUBCOMMITTEE ON STATE, FOREIGN OPERATIONS  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C.**

**March 3, 2015**

Madam Chairwoman,

Gavi, the Vaccine Alliance (Gavi) welcomes the opportunity to submit testimony before the House State, Foreign Operations Subcommittee regarding expanding the life-saving work of vaccines in the world's poorest countries. **I respectfully urge the Committee to provide \$235 million for fiscal year 2016 for the U.S. contribution to Gavi, the Vaccine Alliance through the U.S. Agency for International Development's Global Health account.**

**I also ask that the Committee recommend funding of \$850 million for the Maternal and Child Health account.**

I would like to thank Chairwoman Granger, Congresswoman Lowey, and the Subcommittee for its historically strong support of Gavi. The Committee's fiscal year 2015 funding level for Gavi – the largest single contribution from the United States to date – and for global health programs as a whole sent a particularly strong message on the United States' commitment to saving the lives of children and vulnerable populations in the developing world as well as the importance of strengthening this work around the globe.

Because of this support, Gavi has had a tremendous impact on saving lives and providing an entire generation a real chance at a healthy and productive life. With increased U.S. support, Gavi can save many more children's lives.

**GAVI, THE VACCINE ALLIANCE'S MISSION AND IMPACT**

Immunization is recognized as one of the most efficient, successful and cost-effective health investments in history. Yet each year, 22 million children - many of them in the poorest and most remote communities - do not have access to the most basic vaccines. One in five of all children who die before the age of five lose their lives to vaccine-preventable diseases.

Launched in 2000, Gavi was created to improve access to new and underused vaccines for children in the world's poorest countries - where 85% of the world's unvaccinated children live. A public-private partnership, Gavi is dedicated to saving children's lives and protecting people's health by increasing access to immunization in poor countries.

As an Alliance, Gavi brings together the United States and other donor governments, the Bill & Melinda Gates Foundation and other private sector partners, developing country governments, the World Health Organization, UNICEF, the World Bank, the vaccine industry and civil society to reach goals no single country or organization could achieve on its own.

From 2000 to 2014, with support from the United States and other donors, Gavi has helped support immunize 500 million children, saving 7 million lives. The work of the partnership has helped deliver vaccines to some of the poorest and most remote areas and helped bring immunization rates there to an all-time high.

Developing countries are on track to immunize an additional 243 million children with Gavi support between 2011 and the end of 2015, preventing close to four million future deaths. This includes vaccines against pneumococcal disease and rotavirus-- the primary causes of the two biggest killers of children under age five in developing countries: pneumonia and diarrhea.

The introduction of these new vaccines has already protected millions of children. Specifically, by end of 2013, Gavi support had contributed to immunizing 11 million children against pneumococcal disease and 4 million against rotavirus. In addition, Gavi has also helped strengthen health systems, immunization services and has increased injection safety in more than 70 countries.

### **GAVI: AN INNOVATIVE PUBLIC/PRIVATE PARTNERSHIP**

Gavi, the Vaccine Alliance is a lean and efficient operation – and \$0.97 of every dollar goes toward providing vaccines and delivering immunization services to children in need. The bulk of funding goes directly toward the purchase of life-saving vaccines and improving the critical systems used to transport, store and administer them safely, even in the most remote regions.

Gavi represents a unique and innovative model of development cooperation that brings various partners together within a focused and efficient enterprise to develop long-lasting solutions to a critical development challenge. The Gavi model is based on strong relationships with partner countries, Alliance partners – including the private sector – and bilateral donors that can provide critical assistance at country level.

In particular, the private sector has become an important partner in this cause. There is a growing corporate awareness that the world's biggest health challenges – including how to reach the 22 million children who go unvaccinated each year – also have profound economic implications.

Vaccine-preventable diseases, such as pneumonia, measles and deadly diarrhea, take an enormous toll on people in developing countries. Companies recognize that their ability to compete in the marketplace and the health of communities where they do business is mutually dependent.

Businesses have invested in Gavi because they know that one of the strongest ways to promote global health is through immunization. And quite simply, vaccines provide a strong return on investment.

Through collaboration between the public and private sector, Gavi has been able to raise additional funds and, most important, bring significant private sector expertise, skills, advocacy and visibility to its work. For example, in 2013 Lions Clubs International Foundation (LCIF), forged a new partnership with Gavi to protect tens of millions of children against measles. Not only did LCIF pledge \$7.5 million per year between 2014 through 2017 to boost Gavi's efforts around measles, but LCIF and Gavi committed to working with ministries of health in developing countries to ensure children are vaccinated against measles. LCIF also plays a key role in social mobilization efforts by working with local leaders, coordinating community-level publicity and serving as volunteers at vaccination centers.

## **CO-FINANCING AND GRADUATION**

Other unique features of the Gavi model include vaccine co-financing by all recipient countries and vaccine market-shaping mechanisms that have increased the supply of vaccines while also significantly reducing prices.

Gavi funding is catalytic. Country ownership is an inherent part of Gavi's model, and therefore they share the responsibility of vaccinating their children.

All Gavi-eligible countries are required to contribute financially toward the cost of their vaccines. Even the poorest countries co-finance a small portion of every dose of vaccine purchased by Gavi. Gavi-eligible countries span a large income range, reflecting varying abilities in public health spending and ability to assume new vaccine financing. The amount of the co-financing contribution is based on each country's gross national income (GNI), with countries divided into low-income, intermediate and "graduating" groups.

Gavi's co-financing policy requires countries with higher incomes to finance a greater share of their vaccine costs. As they grow wealthier and hit a GNI cap, they are eased into a graduation process from Gavi support and take on the full cost of vaccines after 5 years. During this period, Gavi intensifies its efforts to help graduating countries be in the best position to financially sustain their routine programs and new vaccines. Gavi also provides technical support to strengthen national capacity and explores options to ensure access to affordable prices after graduation. By 2020, 22 countries are expected to graduate from Gavi support. This further strengthens the long-term sustainability of Gavi's immunization programs in the developing world.

Through co-financing and graduation, recipient countries show their strong commitment to improving the health of their populations and work toward creating a more financially sustainable model for national vaccine programs.

## **SHAPING VACCINE MARKETS**

Market forces alone do not ensure the most favorable conditions for low income countries. Vaccines manufacturing is a complex and long-term process, requiring greater time and investment in research and development than medicines. This may result in fewer producers, high barriers for new entrants, poor supply reliability and slow price decreases.

Gavi and its partners, including UNICEF, which manages Gavi's vaccine procurement, and the vaccine industry, have been increasing market certainty since 2000. By pooling demand from eligible countries, Gavi financing has provided a reliable market for low-cost vaccines and sped up the delivery of life-saving vaccines to developing countries. Gavi's purchasing power, which covers 60 percent of annual global birth cohort, means that it is able to provide a sustainable market when negotiating vaccines prices. Gavi has also helped attract new manufacturers to support Gavi-eligible countries – from 5 vaccine manufacturers in 2001 to 13 manufacturers in 2013 -- including several in developing countries and emerging markets.

In order to sustain immunization programs in countries that graduate from Gavi support, it is also important to provide continued access to low vaccine prices. Gavi has secured commitments from many manufacturers to provide access to Gavi-prices for graduated countries. Gavi and its partners will continue efforts to ensure affordable prices for graduated countries and are also exploring ways to facilitate access to more affordable vaccines among other lower middle-income countries.

## **SAVING MORE LIVES—WE CAN DO MORE**

With expanded support from the U.S. and other donors, Gavi is well positioned to save and improve even more lives. The \$235 million request for fiscal year 2016 will ensure that life-saving vaccine programs are supported and expanded at the country level and that Gavi does not run the risk of being unable to approve new vaccine programs.

A contribution of \$235 million is critical to help Gavi reach every child in Gavi-supported countries with all 11 WHO-recommended vaccines; expand access to new and improved vaccines, such as the pneumococcal and rotavirus vaccines, and ensure that the gains made in the last 15 years are consolidated and sustained so countries not only increase their immunization coverage, but eventually take over full financing of these programs.

Moreover, Gavi shares the U.S. commitment to ending preventable maternal and child deaths and ensuring that the hardest-to-reach children are vaccinated. During Gavi's 2016-2020 strategic period, 77 percent of projected demand for Gavi support will come from USAID's 24 priority countries. To that end, we also support \$850 million in overall funding in fiscal year 2016 for USAID's Maternal and Child Health account. Investments in these accounts will help build on recent momentum in immunization, making the benefits of vaccines in poor countries permanent for the next generation.

During the 2016–2020 strategic period, Gavi aims to immunize an additional 300 million children, resulting in 5 million-6 million lives saved and \$80 -\$100 billion in economic benefits.

In January 2015, Gavi held its second replenishment conference, where it mobilized \$7.5 billion in investment, including a pledge from the United States of \$1 billion for fiscal years 2015-2018, subject to Congressional approval. With these funds, we can greatly expand our impact, reaching the poorest and most vulnerable children in the hardest-to-reach places.

We cannot become complacent and must build on the momentum we've achieved in recent years. If not, we risk backtracking on the gains we've already achieved.

## **CONCLUSION**

I want to thank this Committee for its long-standing support of Gavi, the Vaccine Alliance and for its commitment to programs for maternal and child health. Gavi and its partners realize the significant fiscal challenges faced by the U.S. and other donor countries, and we are working hard to ensure the best-possible stewardship and accountability related to these resources.

I respectfully request that the Committee provide \$235 million for the fiscal year 2016 U.S. contribution to Gavi, the Vaccine Alliance and support strong funding for overall maternal and child health programs.

Thank you for your consideration.