

COVID-19 Response: Vaccines, Risks, and Innovation

Webinar Hosted by ICGFM, The World Bank, Gavi and the Global Fund
Held June 29, 2021

Program Summary

The following document summarizes the information provided by the speakers through presentations, discussion, and Q&A during the webinar, **COVID-19 Response: Vaccines, Risks, and Innovation**. We encourage you to watch the full recorded event to get the value of the rich presentations and discussion.

Hosts: ICGFM, The World Bank, Gavi, and The Global Fund to Fight AIDS, Tuberculosis and Malaria.

Speakers:

David Pearl, President, ICGFM

Ed Olowo-Okere, Global Director, Governance Global Practice, The World Bank

Assietou Diouf, Managing Director, Finance & Operations, Gavi

Dr. Beverly Ho, Director, Health Promotion Bureau, Department of Health, Philippines

Pascal Bijleveld, Director, Country Support, Gavi

Alexander Birikorang, Head, Grant Financial Management, the Global Fund

Naa Yawson, General Manager, Zipline Ghana

Dr. Imran Pambudi, MPH – National TB Program Manager, Ministry of Health, Indonesia

Adenike Oyeyiola, Practice Manager, Governance, The World Bank

This event was organized to engage public financial management (PFM) professionals about country responses to COVID-19, with a specific focus on vaccines, risks, and innovation. Speakers were asked to discuss PFM challenges and strategies in response to COVID-19 and efforts to procure and deliver vaccines.

Introduction

David Pearl, President of ICGFM, welcomed the participants and distinguished guests on behalf of the hosts and provided a short background on ICGFM, before inviting Ed Olowo-Okere to provide opening remarks.

ICGFM is a not-for-profit membership association, established in 1978, as an umbrella organization for international public financial management professionals to improve global

PFM. Participants were invited to join ICGFM at www.ICGFM.org and participate in newly expanded knowledge sharing events and other virtual training programs.

Opening Remarks

Ed Olowo-Okere, Global Director of the Governance Global Practice at The World Bank provided opening comments, noting that this event is an extremely timely initiative to bring together global experts on finance, accounting, and audit to reflect on the impact of COVID-19 and PFM and that he hopes the event will trigger follow-up actions both at country and global levels.

The World Bank has responded to the pandemic with unprecedented initiatives. People in over 100 countries are benefitting from World Bank's projects to address the health emergency, strengthen health systems and pandemic preparedness, to protect the poor, to provide social protection systems, and to preserve jobs. Vaccine access is key for recovery of developing countries.

Robust PFM systems are a critical component for a strong, green, inclusive recovery. PFM systems enable good policy making while also providing the tools to implement policy actions.

Rules and controls are being modified or diluted and budgets are being modified at an abnormal pace and governments are resorting to large borrowings. Balance sheets of many countries are facing the risk of decreased net worth.

Countries with flexible PFM systems have been able to fast-track spending clearances, ensure timely transfers to sub-national levels, and facilitate faster payments, all while maintaining the required level of accountability and a reasonable audit trail.

Vaccine distribution requires appropriate PFM systems, starting with ensuring adequate budget provisions for vaccine procurement and administration and including regular financial reports. Internal audit can help ensure that government vaccine deployment plans are effectively implemented.

Post-COVID-19 PFM systems are likely to see distinct changes. The limited fiscal space in the face of large demands for government spending will increase the emphasis on efficiency and results related to national priorities and the 2030 SDGs. The focus on accruals can contribute to improved debt management, reporting, and transparency. Additionally, the renewed public attention to corruption will likely require PFM systems to play a greater part in anti-corruption efforts.

PFM systems are extremely important during the pandemic and will also be important post-pandemic. This is just the beginning of the conversation.

Panel Presentations

Assietou Diouf, Managing Director of Finance & Operations at Gavi, thanked David and Ed and the hosts for the event, and then introduced and highlighted the diversity and quality of speakers. She welcomed participants to have an active discussion through the chat and Q&A functions, before inviting Dr. Beverly Ho to present.

The Philippines

Dr. Beverly Ho, Director of the Philippines Health Promotion Bureau, introduced her presentation with a discussion of the governance system and the performance of the health system prior to the pandemic.

The health sector in the Philippines includes approximately 1,500 municipalities, 81 provinces, and 130 independent cities. As a result, the COVID-19 response in the Philippines has been nationally enabled, local government led, and people centered. The primary movers on the ground are the local government units with varying capacities for financing, human resources, and information systems.

The pandemic exposed long-term underinvestment in the health sector, specifically in epidemiology and surveillance units and in primary care facilities.

The Philippines adopted a portfolio approach with 7 vaccine brands to be rolled out in the country, including COVAX, creating challenges in communicating a large volume of information and challenges with brand preferences that could not always be met.

Non-disclosure agreements for vaccine prices have created difficulties with maintaining transparency in government procurements. Procurement processes through The World Bank and the Asian Development Bank have created additional confidence in the procurement processes, but the actual amounts are still questioned.

Vaccine hesitancy largely stems from the dengue vaccine experience in 2017. However, sector-wide mobilization and public-private-NGO cooperation for catch-up vaccines prior to the pandemic started to repair the confidence gap for the COVID-19 vaccines. The lessons that have been incorporated into the vaccine process include high value on social preparation and local ingenuity, respecting institutional processes, ensuring ownership among different sectors, engaging, and providing capacity for media partners, and using incentives beyond communication initiatives.

Gavi

Pascal Bijleveld, Director, Country Support at Gavi, highlighted that Dr. Ho's presentation is familiar to many countries and introduced the matrix used to manage risk around COVAX.

Risk in the 'very high' category include constrained global supply of vaccines, absorption, wastage, demand, impact on routine immunization, and reputational damage.

Global supply has not met expectations. The uncertain supply makes it difficult for countries to prepare for vaccine delivery. We anticipate global supply to increase and increased risks around absorptive capacity and demand later in the year.

Aggravating factors for vaccine absorption include readiness, short notice, and available funding to enable delivery. Gavi has recently made bridge funding available to Advance Market Commitment (AMC) countries with need for immediate resources to assist in the delivery of the vaccine.

Vaccine wastage has not been a significant problem to date, but Gavi has put in place mitigating measures, including redeployment, and revising the overall allocation mechanism in preparation for potential wastage as supply increases.

To manage the risk of vaccine hesitancy, Gavi is using stronger communication, social media, leadership voices, and champions, while working closely with in-country partners.

The pandemic has impacted routine immunization and it is expected that the delivery of the COVID vaccine will distract from other services and divert resources, requiring additional attention.

Reputational damage is a significant risk from potential misuse, diversion, and theft. Gavi is working with monitoring agents and international and in-country partners to make sure we have oversight.

This situation is dynamic and Gavi is responding quickly.

The Global Fund

Alexander Birikorang, Head of Grant Financial Management at the Global Fund introduced the Global Fund and discussed its responses to evolving financial and fiduciary risks.

The Global Fund relies on in-country assurance providers and Country Coordinating Mechanisms (CCM) to oversee the implementation of grants in the countries.

COVID-19 threatens to destroy decades of progress in the fight against HIV, TB, and malaria. The Global Fund responded immediately and provided approximately \$1B and is in the process of awarding an additional \$3.3B to help countries fight COVID-19 with critical tests, treatments and medical supplies, protect front-line health workers, adapt lifesaving HIV, TB and malaria programs, and reinforce fragile systems for health.

The risk landscape has changed, with fast evolving risks and volatility of data for decision-making. The Global Fund uses a robust risk management framework that includes four main activities: 1) evidence-based risk identification, measurement, and prioritization, 2) risk mitigation and controls, 3) robust assurance and monitoring, and 4) reporting.

The Global Fund relies on three levels of assurance: namely external audit, the Secretariat oversight function, and the Office of the Inspector General.

The current control environment is characterized by a disrupted supply chain, travel restrictions, economic recession, unemployment, liquidity concerns, shrinking fiscal space, going concern challenges, overstretched health systems, and shortages and inflated prices of essential supplies.

The key identified risks include a potential increase in HIV, tuberculosis, and malaria related deaths, increased financial and fraud risks, difficulties in the execution of assurance activities, delays in financial reporting, inability of implementers to work remotely, travel restrictions, challenges with local and emergency procurements, requirement for agile funding.

The Global Fund's mitigating measures encompass tactical investment in program adaptations, adaptation of assurance activities, regular insights from in-country implementers and assurance providers, virtual supervision missions, broadband support, pooled procurement and framework contracts, and a differentiated approach for fast tracking funding approvals.

The Global Fund shared lessons learned and reflections for future pandemic response:

- As a funding mechanism, we continue to be accountable to our donors. Value for money and the maximization of every dollar invested is still as important, even during an emergency.
- The call to relax ex-ante controls must be counterbalanced by strengthening ex-post controls.
- Consulting with stakeholders to improve the design of package and build support among actors is critical, even under pressure.
- The adaptation of policies and procedures to grant flexibility to the implementers can enhance responses and performance.
- A national response requires effective PFM systems and COVID-19 has made a compelling case for their strengthening. The earlier we coordinate our efforts and support to strengthen PFMs, the better prepared we will be to manage future pandemics.

Indonesia

Dr. Imran Pambuti, National TB Program Manager at the Ministry of Health in Indonesia, provided a background on Indonesia's COVID-19 response and highlighted the importance of procurement on the success of vaccine delivery.

The main source for COVID-19 funding in Indonesia is from government allocations, supported by donors. Procurements make up more than 50% of the funding, making procurement procedures extremely important for the COVID-19 response.

The challenge of pooling and quantification of demand was addressed through coordination and good leadership, along with the use of models to estimate demand (WHO model).

The challenge of supply availability was met with staggered delivery for Xpress Cov2 cartridges and rapid funding approval to source locally available commodities including Personal Protective Equipment (PPE) and oxygen in COVID-19 Response Mechanism.

Challenges with local and international regulations were met with flexibility among local and global quality standards on items such as face masks as well as discussion and intense communication.

Challenges with different global and local prices were met with unit cost analysis, timeline analysis, and negotiations.

Challenges with delivery to end users were addressed by capitalizing on an existing network of provincial and district warehouse facilities to minimize direct costs and engaging with the very well-developed private sector. This was very important with 34 provinces, 514 districts, and 17,000 islands.

Overall, the key lessons learnt are to know the local and donor procurement regulations, know what you need and how to estimate demand, know where to find supplies, know who you need to be working with and know how to coordinate to smooth the process.

Ghana

Naa Yawson, General Manager of Zipline Ghana, introduced Zipline and their support to the Ministry of Health in Ghana.

Zipline is a medical drone delivery company that started in 2016 in Rwanda and expanded to Ghana in 2019. Zipline offers supply chain optimization by providing warehouse and supply chain management systems and providing just in time deliveries for vital medical products. Zipline also offers data analytics and systems that allow health authorities to make timely decisions in response to disease patterns across geographic locations.

Each distribution center has a fulfillment area where ambient and cold-chain medical products are stored (including ultra-low temperature vaccines) and a flight operations area where drones are launched and retrieved.

The benefits in Ghana include a drastic reduction in stock outs, an over 90% decrease in wastage and expiries, a 50% reduction in emergency supply costs, improved anti-counterfeit and anti-theft control, and increased access to temperature-sensitive health products. In the eastern region, vaccine distribution has resulted in 33% fewer missed vaccinations, reduced reliance on satellite cold chain, cost savings, and efficient and equitable nationwide rollout.

Prior to the pandemic, Zipline delivered approximately 80,000 vaccines. After the start of the pandemic, Zipline provided a reliable way to provide contactless delivery of medical products and 2.5M vaccines. Continuity of healthcare was maintained in addition to COVID-19 response activities.

Zipline takes pride in their ability to support the Ministry of Health in providing efficient, economic, and equitable distribution of vaccines.

Ms. Diouf noted that Gavi has been partnering with Zipline in the delivery of vaccines in the routine program implementation. We could all benefit from the innovation in Ghana that has really helped with the country readiness to address the pandemic.

The World Bank

Adenike Sherifat Oyeyiola, Governance Practice Manager at The World Bank, referenced Ed Olowo-Okere's opening remarks and discussed the Governance Global Practice's response to the pandemic.

The World Bank Governance Global Practice focuses on strengthening governance and institutions, including accountability institutions. As the world moved into the pandemic, governments had to address the health emergency, protect the poorest and most vulnerable, and support jobs and businesses.

The response required speed. Several challenges slowed down the response, including accessing the right information, intergovernmental coordination, and lack of civil servant experience with the magnitude and mortality of COVID-19. The need for speed was addressed by government diversion of resources to the pandemic response and support from development partners to respond and to procure vaccines. The challenge is in accounting properly for these funds. There is a need to focus on transparency and accountability.

The core issues that need addressing are quick, equitable and effective distribution of the vaccine, including contracting, physical distribution, vaccine integrity, equity, and misinformation. To address these challenges, transparency and accountability are fundamental. Specific arrangements include internal control and internal audit, supreme audit institutions, engagement of stakeholders (citizens, Civil Society Organizations (CSOs), and the private sector), digitalization, and procurement.

To consolidate the information obtained and the lessons learned, the World Bank has recently completed a paper, **the Role of SAIs in Government's COVID-19 Response** that includes an emergency phase and a post-emergency phase of SAI activity. In addition, The World Bank is releasing the 2021 Supreme Audit Institutions Index shortly.

Discussion & Q&A

The following information was provided by the speakers in response to questions during the event.

- To address the shortage of medical workers, the Philippines offered incentives to health workers in the public and private sector, including expanding publicly funded education, and institutionalizing benefits for salaried workforce. For Filipino health workers that work overseas, the Government is engaging in bilateral agreements with receiving countries to fund schooling and other costs.
- For Gavi AMC countries that do not achieve vaccination targets, Gavi will continue to work with them to help them achieve their targets. Some countries will take longer than others. Gavi is making funding available to compliment Multilateral Development Bank funding to help with delivery, including addressing vaccine hesitancy.
- The Philippines addressed health worker hesitancy with an information campaign targeting them through town halls where they could ask questions and implemented a policy protecting them from lawsuits when they participated in the vaccination campaign. This was to address those who were mainly afraid of /or traumatized from lawsuits from Dengue vaccine incident
- In response to challenges to the design of the COVAX facility where countries that controlled supply were allowed to be in the front of the line, it was noted that, there could have been a better structure with supply secured earlier, given advance information. However, the cash required to secure the deals was a constraint early on. Going forward, it is important to keep COVAX operations flexible, dynamic, and less complicated.
- Redeployment is a measure of last resort, and Gavi always works with countries to help increase utilization. Even if a country needs to redeploy some vaccine because of the risk of expiry, Gavi will continue to work with them with subsequent allocations.
- Gavi seeks to leverage national systems such as DHIS, eLMIS and other digital platforms to integrate COVID-19 vaccines tracking. With the support of WHO, UNICEF and other partners, Gavi developed a dashboard that pulls information together across the portfolio.
- In the Philippines, financial plans, allocations, and actual disbursements are included in the national database, but detailed breakdowns are not. Results are submitted to various line agencies and not in single database.
- Gavi considers counterfeit vaccines to be a risk, but lower now than originally expected.
- The Global Fund supports the Gavi platform and health systems used for vaccine delivery and Gavi funds vaccines. The Global Fund provides PPE for frontline workers, some of whom are involved in the vaccine delivery. There is still room for further collaboration to maximize our collective efforts.

- To mitigate the risk of sharing ‘about to expire’ vaccines with other countries, Gavi only redeploys vaccines with sufficient shelf-life, based on the receiving country acknowledging this and demonstrating (by past absorption rate data) that they would be able to use the doses before they expire. Redeployment is a last resort.
- Zipline Ghana worked closely with the Ministry of Health-established warehouse setup. Zipline gets supplies from regional warehouses and they jointly develop forecasts and distribution plans to ensure coordination. Zipline also uses the Ministry's stock requisition systems to provide visibility into the movement of stocks to avoid duplication of service.
- To help manage high indebtedness, the WB/IMF Debt Service Suspension Initiative supports countries to concentrate their resources on fighting the pandemic. It also supporting countries with temporary suspension of debt service payments owed to their official bilateral creditors.

Ms. Diouf thanked the participants and noted the excellent job of the speakers in raising awareness of the issues and distilling the critical points. The participants are not alone in their challenges and are encouraged to interact further on these topics to send additional questions or comments to Laura@ICGFM.org to inform further events and to encourage the creation of a community of practice. There is a lot of data, information, and solutions available from each of the hosts on their respective websites and participants are encouraged to pursue this further. Thank you to all the hosts and participants.

END

Thank you to all the speakers and especially Ms. Assietou Diouf, who moderated a wonderful event.

A special thank you to Joanne Dunne, Managing Director, at ICGFM for managing the event.

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