



EXPANDED PROGRAMME ON IMMUNIZATION (EPI) & COVID-19 VACCINATION BUDGET BRIEF



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▶ **Government allocated MK1 billion for the procurement of vaccines under the expanded programme on immunization (EPI) in 2022/23 and an additional MK90 million for EPI related operational costs, which have reduced from MK171 million in 2020/21.**

Recommendation: The Government is encouraged to sustain its investments in vaccines and immunization, to preserve the remarkable gains realized to date in terms of coverage and reduction of the incidence of major illnesses. It is important to have properly vaccinated population to protect against the outbreaks of preventable diseases such as polio.

▶ **Government spending on procurement of vaccines has consistently fallen short of the estimated financial needs, by 75% in 2022/23, as the Ministry of Health requested MK4 billion for routine immunization procurement but was only allocated MK1 billion.**

Recommendation: The Ministry of Health (MoH) is encouraged to continuously engage the Treasury to ensure allocations are in line with quantified needs for routine immunizations and co-financing obligations for new vaccines, under the Gavi arrangement.

▶ **Government allocated MK5.92 billion to Local Government Authorities (LGAs), as other recurrent transactions (ORT), for COVID-19 response in the health and education sectors. However, the distribution of the resources does not consider differences in the COVID-19 burden and financial needs by districts.**

Recommendation: Government should ensure evidence-based planning and budgeting, flexible budget management, strengthening the application of available public finance management (PFM) frameworks and guidelines and continuously building the capacity of health planners, including at district level in strategic planning, budgeting, and spending in the framework of the continued COVID-19 emergency.

MK1 billion
for vaccines under the expanded programme on immunization (EPI) in 2022/23



MK90 million
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1 INTRODUCTION

This budget brief assesses the extent to which the 2022/23 Government Budget contributed to the implementation of the Expanded Programme on Immunization (EPI)¹ and COVID-19 vaccination in Malawi. It provides an analysis of the size and composition of the EPI and COVID-19 budget for 2022/23 and a summary of recommendations on critical financing issues related to adequacy, allocative efficiency and effectiveness of the current and past spending on EPI and COVID-19. This will help the Government in effective decision making in public financing for immunization. The information used in this budget brief is based on data obtained from the Ministry of Health (MoH) and Ministry of Finance. Additional information on the specifics of the EPI in Malawi can be found in UNICEF's 2020/21 Child Immunization Budget Brief, available on UNICEF's website².

2 BRIEF OVERVIEW OF IMMUNIZATION IN MALAWI

Child immunization remains a key preventive health priority area for the Government of Malawi. The implementation of immunisation services is guided by the National Health Policy and the Health Sector Strategic Plan (HSSP) II³ which are operationalised by the EPI programme guided by a five-year adjustable country multiyear plan (cMYP).

Malawi administered over 90% of the planned vaccination targets in three out of four categories of routine vaccines in 2021 (Figure 1). In 2021, Government successfully administered routine vaccines with OPV-1 (first dose) being the highest as 95% of the planned OPV was administered. BCG had the lowest execution rate with 88% of the planned vaccination rolled out. However, ensuring that children have adequate vaccines and receive all the required vaccines remains a challenge.

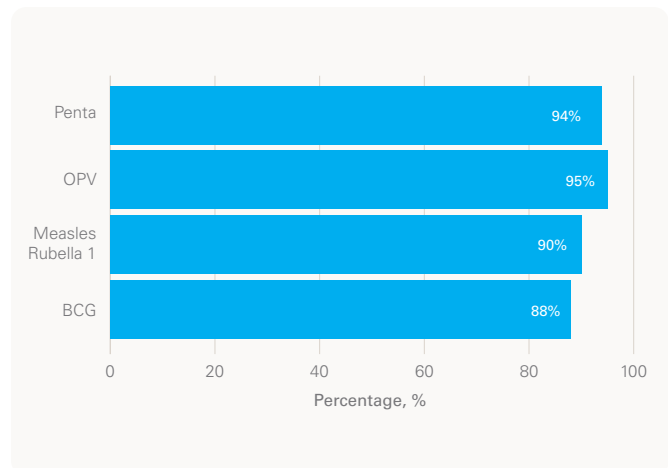
Following a cholera outbreak in early March 2022, Malawi has started rolling out doses of Oral Cholera Vaccine (OCV). In April 2022, Malawi received 1.9 million doses of cholera vaccines from the Global Emergency Stockpile to support the first round of the OCV campaign, in the context of broader efforts to strengthen cholera preparedness and response readiness. The vaccination campaign is targeting 1.9 million people, including adults and children from one year old who are living in flood-affected and cholera-prone districts,

1 The programme was established in 1978 with the aim of reducing infant morbidity and mortality rates due to vaccine preventable diseases by providing quality immunization services. The current Malawian Expanded Programme on Immunization (EPI) defines basic vaccinations as one dose of BCG, three doses of DPT-HepB-Hib, three doses of oral polio vaccine (excluding polio vaccine given at birth), two doses of rotavirus vaccine, and three doses of pneumococcal vaccine provided at 6, 10 and 14 weeks of age and one dose of measles vaccine at 9 months of age.

2 <https://www.unicef.org/esa/media/8996/file/UNICEF-Malawi-2020-2021-Immunization-Budget-Brief.pdf>

3 The Government is currently finalizing the development of the HSSP III (2022-2030).

Figure 1: Proportion of Administered Routine Vaccines Out of Planned Vaccination in 2021



Source: MoH, 2021

mostly in the Southern region, including Nsanje, Neno, Chikwawa, Machinga, Phalombe and Mangochi. The targeted people will receive two doses of cholera vaccines two weeks apart. As of 11th October 2022, Malawi had registered 4,351 cumulative cases of cholera, with 126 deaths, translating to a case fatality rate of 2.9%. With support from Gavi, the Vaccine Alliance, a total of 3.9 million oral cholera vaccines have been approved to prevent the risk of cholera spread in flood-affected districts in Malawi.

In March 2022, Malawi launched a door-to-door vaccination campaign against wild poliovirus type 1 using bivalent Oral Polio Vaccine (OPV). The campaign is targeting 2.9 million children under 5 years in a four-round vaccination drive. This follows the declaration of an outbreak in Malawi on 17 February 2022, the first such case in the country in 30 years, and the first in Africa since the region was certified free of indigenous wild poliovirus in 2020.

In addition, Malaria vaccine is being rolled out in Malawi following the World Health Organization (WHO) recommendation for the broader use of GlaxoSmithKline (GSK)'s RTS, S/AS01e to reduce childhood illness and deaths from malaria. Malawi, alongside Ghana and Kenya, is one of three African countries that is carrying out the Malaria Vaccine Implementation Programme (MVIP) with support from WHO, UNICEF, PATH, a nonprofit organization, and GSK, the vaccine manufacturer. The introduction of the malaria vaccine is expected to significantly boost malaria prevention and reduce the cases of malaria related deaths for under five children and save healthcare costs.

3 COVID-19 RESPONSE

Malawi is implementing the third National Coronavirus Disease (COVID-19) Preparedness and Response Plan aimed at containing the pandemic. The current plan builds on successes made and lessons learnt from implementation of the two initial plans, and it provides a short to medium term strategic anchor against COVID-19. Some of the major interventions included in the plan include awareness, increased COVID-19 vaccination and continue to enhance health emergency response systems. The plan estimates that MK 358 billion shall be required to contain the pandemic.

Government eased COVID-19 related restrictions following a sustained period of low COVID-19 cases. Since February 2022, COVID-19 cases have been very low. As of 11th October 2022, Malawi had cumulatively registered 88,050 confirmed cases out of 618,300 tests, with a total of 84,968 recoveries (96.5%) and 2,682 deaths, representing a Case Fatality Rate (CFR) of 3.05%. Government removed gathering, mandatory wearing of masks in public, while individuals travelling to Malawi are no longer required to present a negative COVID-19 PCR test results if they are fully vaccinated against COVID-19.

COVID-19 vaccination remains very low. As of 11th October 2022, 2,953,516 people had been fully vaccinated against COVID-19, representing 15.8% of the population in Malawi. The low uptake is attributed to misconceptions on COVID-19 vaccination due to false information, social cultural and religious beliefs, and poor community



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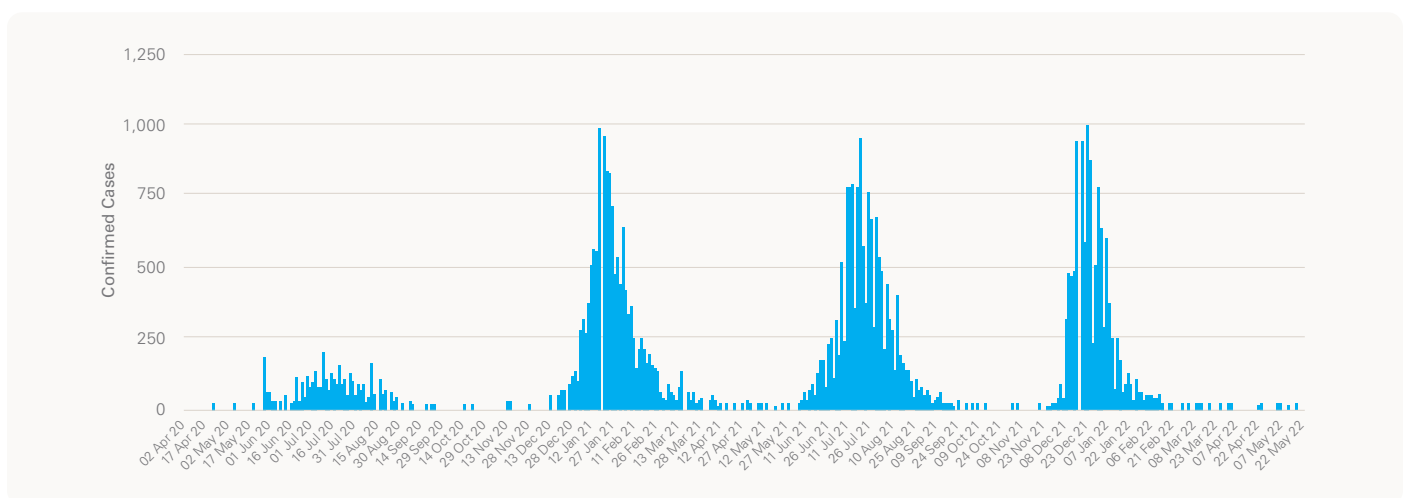
civic awareness. Government rolled out vaccination of teenagers aged 12-17 booster shots in 2022. These efforts have the potential of increasing the population vaccinated against COVID-19.

Table 1: COVID-19 Indicators – 11th October 2022

Indicator	Status
Tested Samples	618,300
Cumulative Confirmed Cases	88,050
Recoveries	84,968
Deaths	2,682
Fully Vaccinated	2,953,516

Source: <https://covid19.health.gov.mw/>

Figure 2: Number of COVID-19 cases and 7-Day Moving Average in Malawi



Source: MoH, 2022

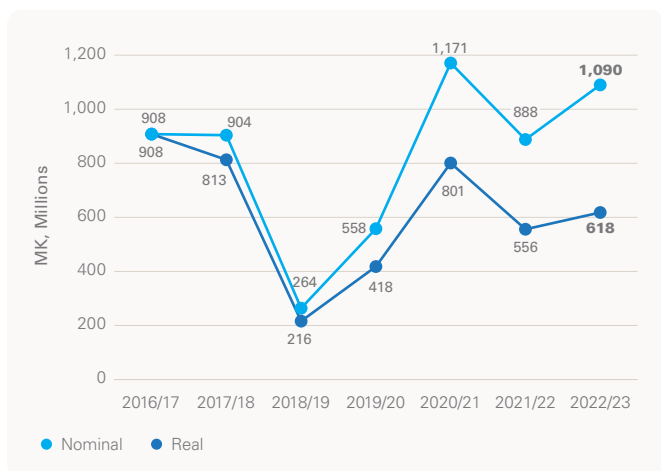
4 SIZE AND COMPOSITION OF EPI SPENDING

The Government allocated MK284 billion to the health sector in 2022/23 (Figure 3). This translates to an increase of 28% when compared to the allocation of 2020/21. Per capita allocations have consequently reached its highest level since 2016/17, now worth about US\$15 albeit still far short of the recommended World Health Organization (WHO) minimum per capita investment (US\$86). The health sector budget has reached its highest level (10%) as a share of the Total Government Expenditure (TGE) since 2017/18. This takes the allocations back to be the third largest national spending priority after education (16.3%) and agriculture (15.8%) without considering debt servicing (18.4%). Despite this increase, Malawi is still below the Abuja Declaration target for African States to allocate 15% of their TGE to the health sector. The health sector budget also has reached its highest value in relation to the country's gross domestic product (GDP), at 2.5% in 2022/23.

Expressed as a share of the health budget, the EPI budget has declined from 0.5% in 2021/22 to 0.4% in 2022/23. In 2022/23, the Government allocated a total of MK1.09 billion for the EPI, which is 7% lower than 2020/21 allocation⁴, despite the total health allocation increasing by 28% in the same period.

The Government allocated MK1 billion for the procurement of vaccines under the EPI (Figure 4). The allocation has remained the same at nominal level over the past two fiscal years, considering that 2021/22 was just nine months. An additional MK90 million was allocated towards EPI related operational costs (fuel and lubricants,

Figure 3: Trends in EPI Spending



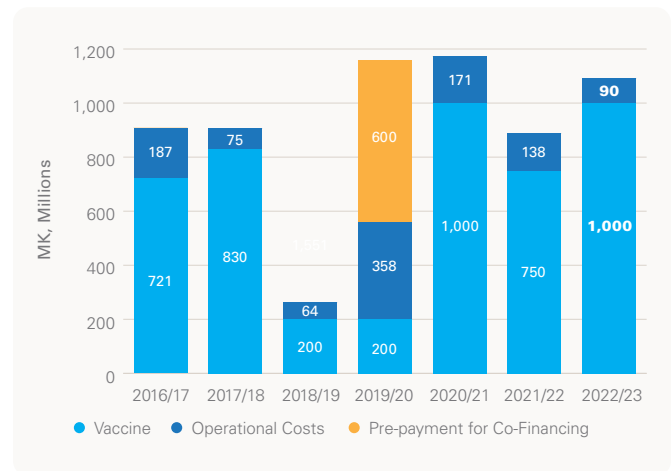
Source: Ministry of Health (2022)

4 In 2021/22 the fiscal year only lasted 9 months and allocations were therefore lower.

maintenance of medical equipment, subsistence allowances and other consumables). As shown in Figure 7, the budget for operational costs has been declining since 2019/20. There was no allocation made for the procurement of COVID-19 vaccines, which is entirely being supported by donors.

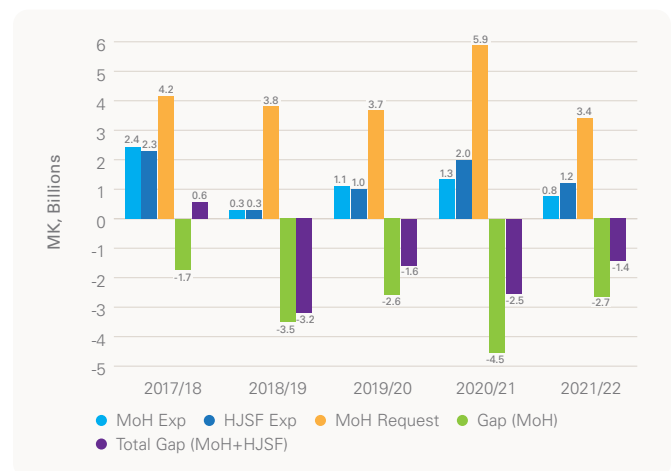
Government spending on vaccines have consistently fallen short of the estimated financial needs (Figure 5). In 2022/23, the MoH requested a total of MK4 billion for co-financing and routine immunization procurement, but was only allocated MK1 billion, leaving a shortfall of 75%. This is largely caused by the Treasury's use of historical estimates in allocating resources to vaccine procurement, rather than cost estimates provided by the MoH. The HSJF committed US\$1.5 million to EPI in 2021/22.

Figure 4: Trends in the Composition of EPI Spending



Source: Ministry of Health (2022)

Figure 5: Co-Financing and Routine Immunization Procurement Financing Gaps

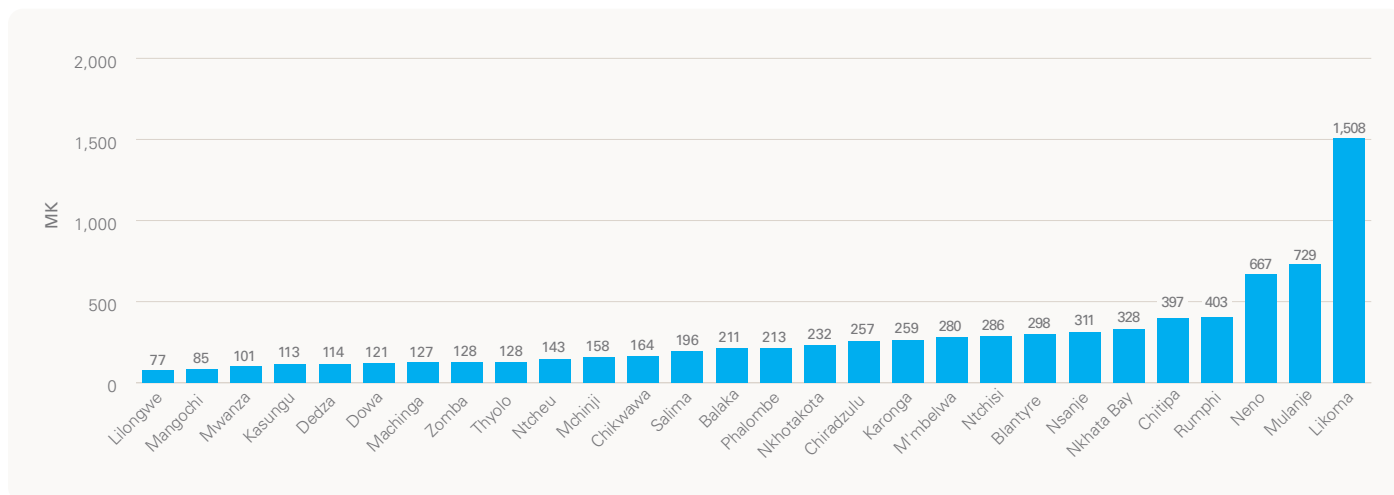


Source: Ministry of Health (2022)

Government allocated MK5.92 billion to Local Government Authorities (LGAs) for COVID-19 response. Out of this, MK3.2 billion was channeled to the education sector while MK2.72 billion was allocated towards COVID-19 response in the health sector. Like in

previous years, the distribution of the district COVID-19 ORT budget for 2022/23 did not consider differences in the COVID-19 burden and financial needs by districts, resulting in significant per capita ORT budget variations by district, as shown in Figure 6.

Figure 6: 2022/23 Per Capita COVID-19 ORT Health Budget by District



Source: National Local Government Finance Committee (NLGFC) (2022/23)

5 FINANCING THE EPI INCLUDING COVID-19 VACCINATION PROGRAMME

The EPI is funded by the Government (MoH), Gavi and the Health Services Joint Fund (HSJF) and GlaxoSmithKline (GSK). The Gavi, Vaccine Alliance supports the procurement of new vaccines and injection materials. The GAVI funds, which come as off-budget, are channeled directly to UNICEF Supply Division (SD) whenever vaccine procurement is to be initiated. The Government, supported by the HSJF, is responsible for funding routine vaccines and co-financing new vaccines, in line with Gavi New Vaccine Support requirement for the Government to contribute US\$0.20 per dose. In addition to vaccine procurement, the MoH also contributes to the operational costs related to ensuring continuous immunization service delivery.⁵ The HSJF is also responsible for paying towards related clearing costs as well as other in-country logistical costs for the vaccines. The GSK is responsible for funding the procurement and rollout of malaria vaccines.

The Gavi, Vaccine Alliance supports the procurement of new vaccines and injection materials.



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⁵ These are supply chain related expenses, which include vaccine waste management costs, vaccines and injection materials, quantification exercises; data management including efforts for improving data quality; and operational costs which include printing of temperature monitoring charts and stock books, electricity, and maintenance of generators for vaccine cold rooms among others.

GAVI has been contributing an average of 75% to the total financing of the EPI in Malawi between 2017/18 and 2020/21, followed by the HSJF (16%) and Government (9%) (Figure 7).

GAVI remains the biggest financier of the EPI (Figure 7 and Table 2v). GAVI has been contributing an average of 75% to the total financing of the EPI in Malawi between 2017/18 and 2020/21, followed by the HSJF (16%) and Government (9%) (Figure 7). This funding pattern has not changed. The HSJF has been supporting the procurement of vaccines since 2017/18. However, with an average 91% of funding coming from donors, the current funding arrangement for the EPI is highly unsustainable and places those in need of vaccinations in a vulnerable position should donor funding be reduced. This should be addressed in subsequent years through progressively increasing Government allocation towards vaccines procurement.

Table 2: Trends in Vaccine Financing by Source, Absolute Amounts

Financier	2017/18	2018/19	2019/20	2020/21
GoM	2,429,478	299,320	1,089,320	1,333,333
HSJF	2,275,160	3,395,704	1,002,305	2,000,000
GAVI	18,339,078	9,011,251	4,763,854	13,719,500
Total Contribution	23,043,716	12,706,275	6,855,479	17,052,833

Source: MoH (2021), HSJF Expenditure and Budget Documents and GAVI⁶

The funding for the procurement of COVID-19 vaccines is mostly coming from the World Bank. In June 2021, the World Bank approved US\$30 million in additional financing to support Malawi in the acquisition and deployment of safe, affordable and effective COVID-19 vaccines. This came as an additional financing for the existing Malawi's COVID-19 Emergency Response and Health Systems Preparedness⁷ project bringing the World Bank contributions to the country's health sector COVID-19 response and vaccination efforts to a total of \$37 million. In addition, the USA Government has provided US\$21.5 million in support of the Malawi's fight against COVID-19. The USA also contributed US\$2 billion to COVAX facility where Malawi expects to receive 1.5 million COVID-19 vaccines.⁸

6 For more details, see the Immunization and Nutrition Budget Process Mapping Report produced by UNICEF (2021)

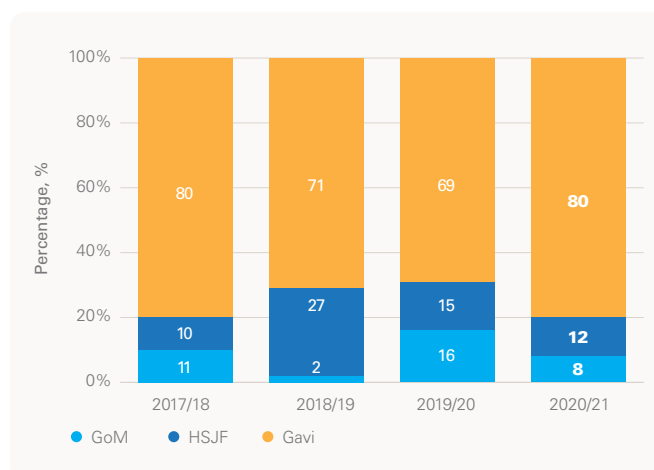
7 <https://projects.worldbank.org/en/projects-operations/project-detail/P173806>

8 <https://mw.usembassy.gov/usg-commits-2-billion-to-covax-vaccine-fund-from-which-malawi-is-obtaining-its-covid19-vaccines/>



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Figure 7: Trends in Vaccine Financing by Source (%)



Source: MoH (2021)

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