THE EXPANSION OF THE VACCINE INDEPENDENCE INITIATIVE (VII)
Protecting children with life-saving supplies
UNICEF’s Private Fundraising and Partnerships (PFP) division together with Supply Division (SD) are pleased to let you know about a new financial innovative opportunity to accelerate access to life-saving vaccines and medical supplies which is now open to all National Committees and Country Offices.

The Problem:

Immunization averts an estimated 2 to 3 million deaths every year. Yet, millions of children are still dying from diseases that can be prevented with vaccines. In 2015, nearly 1 in 5 infants – 19.4 million children – missed out on the basic vaccines they need to stay healthy. One key cause in this shortfall are disrupted supplies.

Misalignments between the timing of funds availability and the timing of procurement can leave children without supplies when their need is critical. This will be come especially important as governments rely increasing on their own budgets.

In 2015, 11 countries reported temporary shortages of polio vaccines.

These issues, however, are not limited to only immunization supplies. Temporary funding gaps, occur in most of the essential commodities we procure leading to interruption in supply availability and programmes delays.

The Opportunity

Faster access to vaccines, medicines, therapeutic food, and other essential supplies and more value for money:

The Vaccine Independence Initiative (VII) is a financial mechanism designed to bridge temporary gaps when domestic budgets are not immediately available at the time a procurement must take place. It was set up in 1991.

VII was set up to ensure that national budgeting cycles and procurement requirements are not a barrier to children receiving lifesaving vaccines whenever and wherever they are needed.

In 2015, the revolving fund was expanded to allow bridging of all essential commodities that UNICEF purchases on behalf of governments and partners. Funds are “re-used” more than two more times in the same year. A $1 million dollar from a donor could purchase $2-3m worth of vaccines or health commodities in one year, ensuring more children can be vaccinated and receive life-saving medical supplies.

There is currently an opportunity that a $3 million dollar donation will unlock an additional $15m of financial backing from Bill & Melinda Gates Foundation.

The Vaccine Independence Initiative (VII) is a financial mechanism designed to bridge temporary gaps when domestic budgets are not immediately available at the time a procurement must take place. It was set up in 1991.
How It Works

Donors’ funds are pooled in a trust fund to pre-finance the purchase of vaccines and essential supplies and offset the financial risk during the pre-financing.

Countries repay the pre-financed amount after receipt of goods, thereby allowing subsequent pre-financings of new orders for other countries. VII has a strong record of success.

There is no limit to how many times the funds could be used per year, apart from the rate of successful reimbursement.

VII is critical to ensure that the health gains that have been achieved over the past decades are not reversed.

The Need

In the last 4 years, UNICEF received approximately US$100 million worth of annual pre-financing requests from countries. UNICEF expects this to increase to $225m+ by 2020, driven primarily by significant increases in government’s reliance on their own budgets.

It has not been possible to meet the majority of these pre-financing requests with the current size of the capital fund.

Key consequences:

- Delayed health programmes and interrupted supply chains
- Putting at risk the large-scale health results
- Limiting countries’ potential to respond to sudden outbreaks.

Pre-financing needs will continue to increase in the future.

UNICEF VII fund has expanded its scope to allow rapid responses to nutrition crises and outbreaks like Ebola.

The Benefits

- Accelerate the delivery of vaccines and other essential supplies - 3 – 6 months sooner than would otherwise be possible.
- Prevent temporary shortages of essential supplies for children.
- Participation in a pooled procurement mechanism coordinated by UNICEF resulting in economies of scale and reduced costs.
- Flexible credit terms allowing for payment after delivery instead of in advance
- Continued access to UNICEF Procurement Services, providing quality, low-cost vaccines and other medical supplies
- Technical work delivered alongside aimed at improving government’s planning and budgeting processes

List of countries currently subscribed to VII

The current subscribing countries are: Kenya, Chad, Niger, Capo Verde, 13 Pacific Island Countries, Lao PDR, Cote d’Ivoire, Nigeria (currently inactive) and Uzbekistan. Other countries are in the process of applying to become members.
The Offer

UNICEF is looking for a group of donors to make at least a 10 million dollar contribution in support of VII and become UNICEF’s Financial Innovation partners.

This initiative will allow donors to:

- Maximize impact as funds are typically re-used 2-3 times in a given year (value for money)
- Help unlock an additional $15m from BMGF (with the first 3M dollar contribution as part of a ‘first loss pool’, does not need to be a single donor)
- Join a group of like-minded individuals, foundations and companies and use your voice to get this initiative on the agenda
- Receive an annual progress reports, to be shared with NatComs directly. Reports can be tailored by Natcoms as needed.
- An annual visit to Supply Division will provide an opportunity to meet with experts and visit UNICEF’s warehouse (largest humanitarian warehouse in the world). Other meetings and events include a meeting with the Health team Programme Division in UNICEF House in New York
- Be part of a technical forum to provide technical expertise

FAQs:

What kind of donors should we approach?
- Any donor can participate including Major Donors, Corporate, Foundations and general public at large.

How much does a donor have to give in order to participate?
- Minimum contribution of: 500,000 – 1 M dollars
- National Committees can pool funds in order to meet the minimum threshold to participate

How would reporting work?
- A 3 year grant cycle – reporting information will be thematic
- National Committees contributing to VII will be credited via the regular PFP system

Who could be interested?

Donors interested in supporting Health, Immunization, Financial Innovation, and Sustainable access to life-saving and cost-effective interventions would be perfect candidates to participate.

For more information please contact: Marina Krawczyk
Financial Innovation Lab Lead, Global Philanthropy, Private Fundraising and Partnerships (PFP) mkrawczyk@unicef.org +41 22 909 53 02