

DOCUMENT ADMINISTRATION

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1.0	Barry Greene, Managing Director, Finance and Operations	
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2.0	Reviewed by: Gavi Audit and Finance Committee	24 March 2011
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Annex 1	Reviewed and recommended by: Gavi Audit and Finance Committee	10 October 2013
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3.0	Reviewed and recommended by: Gavi Audit and Finance Committee	6 November 2015
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Section 3.6 and Annex 1	Reviewed and recommended by: Gavi Audit and Finance Committee	21 October 2016
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Section 4.1 and Annex 1	Reviewed and recommended by: Gavi Audit and Finance Committee	12 June 2017
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Sections 3, 5 and Annex 1	Reviewed and recommended by: Gavi Audit and Finance Committee	21 October 2020
	Approved by: Gavi Alliance Board	15 December 2020 Effective from: 1 January 2021

Purpose

- 1.1. The Programme Funding Policy aims to strengthen the prudent management of Gavi Alliance resources and commitments.

2. Scope

- 2.1. This Policy shall apply to all programme funding decisions.

3. Principles

- 3.1. When Gavi decides to support a country's programme(s) ("individual programme"), it normally does so with the intention of maintaining its support for the duration of the country's funding application, subject always to an annual assessment of the availability of funding and the performance of the programme.
- 3.2. The performance of each programme is reviewed periodically by Gavi's High Level Review Panel or other body as may be so empowered by the Board; and in years between such reviews, by the Gavi Secretariat based on its routine monitoring of the programme.
- 3.3. As a prerequisite to any programme funding decision, an amount of Qualifying Resources (as defined below) shall be set aside to fully cover all commitments arising in the period from the start of the then current year through to the next two calendar years (the Defined Period).
- 3.4. The Secretariat shall provide the Board with a projection of the amounts arising during the Defined Period (per 3.3 above), in respect of:
 - a) Qualifying Resources available in the defined period; and
 - b) Cash outflows required to meet Gavi Alliance commitments, other than to the new programmes being considered (i.e. to programmes being already supported, including extensions thereof, and partners' engagement and administrative costs) in the Defined Period.
 - c) The remainder (a-b), being the amount available to cover commitments to new programmes in the defined period.
- 3.5. The Secretariat shall also provide the Board with a projection of commitments arising and Qualifying Resources available in the three years subsequent to the Defined Period, so that the Board can take into account the longer-term implications when considering the funding of new programmes.
- 3.6. In addition to the foregoing, the Gavi Alliance shall maintain an unrestricted cash and investment reserve equaling not less than eight months of expected annual expenditure on average over a year and potentially more than that amount in times of increased uncertainty. The reserve shall include liquid assets equivalent to not less than three months' expenditure.
- 3.7. The Board may from time-to-time approve a financial forecast from which the Secretariat shall allot funding to programmes in accordance with the provisions of Annex 1 hereto.
- 3.8. The Secretariat shall provide timely authorisation and commitments to UNICEF for the purposes of procuring Gavi-funded vaccines, related supplies and cold chain

equipment for delivery to Gavi-supported countries on a rolling basis within the allotted period, based on Gavi's then current projections of country needs to be met by Gavi pursuant to funding decisions.

4. Definitions

- 4.1. Qualifying Resources, meaning the resources that can be counted for the purposes of covering commitments, shall comprise:

Funds on hand:

- a) Cash and investments of the Gavi Alliance (excluding funds held in the procurement escrow account over which UNICEF has sole drawing rights).

Future inflows expected during the Defined Period from:

- b) Contributions contingent on programmatic expenditure (e.g. AMC contributions)
c) Expected funding from IFFIm, based on existing donor pledges
d) Confirmed contributions to Gavi Alliance (under already-signed agreements or otherwise confirmed in writing)
e) Expected contributions from existing donors who have not yet confirmed their contributions for the entirety of the Defined Period, based on current contribution levels (i.e. a conservative projection)
f) Projected investment income.

5. Effective date and review of policy

- 5.1. Section 3.6 of this policy on the cash reserve requirement came into effect on 18 November 2009. Section 3.7 of this policy establishing the funding envelope arrangement and Annex 1 thereto came into effect on 13 June 2012. Section 3.8 of this policy on the provision of authorisation and commitments to UNICEF came into effect on 2 December 2015. All other sections came into effect as of 17 June 2010. Inclusion of Targeted Country Assistance ('TCA'), Special Focus Areas ('SFA') and Foundational Support ('FS') as well as allowing multi-year approval of programmes came into effect as of 17 December 2020. This policy will be reviewed and updated as and when required. Any amendments to this policy are subject to Gavi Alliance Board approval.

Annex 1

Allotment of Funding

1. The Board or EC may from time-to-time approve a financial forecast for a period of between five and ten years within the limits of which the Secretariat is authorised to allot funding to programmes for up to a 5 year period at the time of allotment or other period as the Board or EC may specify for the continuation and adjustment of funding for existing programmes and for new programmes.
2. The Board or EC may also approve programme-specific funding limits from time to time which set a limit on expenditure for specific activities, within the overall forecast amount.
3. The Secretariat, acting within the amount provided for programme expenditure in that forecast and as further constrained by any specific limits, shall:
 - (a) for all new programmes recommended by an Independent Review Committee or other bodies as may be so empowered by the Board, such as the Partnership Engagement Framework Management Team for Strategic Focus Area and Foundational Support, to recommend funding decisions: allot funding to programmes based on those recommendations;
 - (b) and for then existing programmes, including programmes in the first year:
 - (i) allot funding to extend budgets into future years and/or adjust budget amounts for individual programmes, as authorised by the CEO or Deputy CEO taking into account the latest results of a programme's performance review, updated timing of implementation and budget utilisation; and
 - (ii) adjust budget amounts, as authorised by the CEO or his or her delegate, for price variances, dose reductions or increases, and updated cost estimates for Health Systems & Immunisation Strengthening (HSIS), Targeted Country Assistance (TCA), and Cold Chain Equipment Optimisation Platform (CCEOP) programmes, provided that any vaccine dose adjustments exceeding 5%, any HSIS, TCA, SFA and FS adjustments exceeding 5% or any CCEOP adjustments exceeding 10% of the approved amount are based on the recommendations of a body specified in paragraph 3(a).
- 3 By 'allot funding' it is meant that the Secretariat shall, establish and approve a multi-year budget for Gavi support to each programme, and record a liability in accordance with Gavi's accounting policies.
- 4 The Secretariat shall implement appropriate safeguards for oversight of the multi-year funding allotments and reporting to the Board thereon, including:
 - a. Following receipt of recommendations a body specified in paragraph 3 (a), the financial implications of the recommendations shall be assessed by the Secretariat and documented in an Approval Request prepared by the Country Programmes team and or the Partner's Engagement Framework team. That Approval Request shall be submitted to the Managing Director – Finance & Operations, for financial certification that the financial implications are provided for within the then current Board/EC-approved financial forecast.
 - b. Following that financial certification, the funding recommendation shall be reviewed by the CEO or Deputy CEO each of whom is empowered to authorise the allotment of funding to individual programmes. If that financial certification

is not provided, then the funding recommendations shall be referred to the AFC for review and recommendation to the Executive Committee or the Board.

- c. Following authorisation by the CEO or Deputy CEO, countries shall be notified accordingly by a decision letter (if relevant) and agreements with implementing partners can be entered into (as applicable).
- d. The Secretariat shall report back to the AFC and the Board or EC semi-annually on the amounts of funding allotted. This reporting shall summarise the programme funding allotments made by the Secretariat.