

Report of the Chief Executive Officer

21 September 2021

Dear Board members,

As we head into our additional Board meeting, I wanted to provide some thoughts on the key issues up for discussion. My usual report will come in December, touching on the breadth and richness of the important work underway in the Secretariat, but for now I will stay focused. It is hard to believe that we are now a year and half into the COVID-19 pandemic and nearing the end of the first year of Gavi 5.0. Even before the pandemic hit, we were expecting this past year to be a busy one as we worked with countries, forged new partnerships, and focused our resources and attention on zero-dose and missed communities. Against a backdrop of high performance, we were prepared to be ambitious. But 2021, like 2020, proved to be a difficult year, the repercussions of which are still unfolding.

The 2020 WHO/UNICEF Estimates of National Immunization Coverage (WUENIC) data released in July provided us with critical insights into how Gavi-supported countries are faring in the pandemic, and the resiliency of their immunisation systems. Throughout Gavi 4.0, with the exception of last year, we saw positive progress and were on track to achieve most of our strategic goals – particularly in ten Tier 1 countries that we prioritised under the partners' engagement framework (PEF) where the Alliance has had more deliberate and focused engagement, including high-level country missions. These countries showed a 6 percentage point increase in coverage, surpassing our target.

The COVID-19 pandemic, however, has set back progress and resulted in a 4 percentage point decrease in DPT3 coverage across Gavi-supported countries in 2020. While it is hard to see our gains eroded, this loss is less severe than what we had initially feared. The resumption of routine immunisation services and catch-up of missed children in many countries over the second half of 2020 speaks to the resilience of Gavi implementing countries and the strength of the health systems in which we have invested. These same systems are supporting the COVID-19 response, speaking to the importance of our investments in health systems as a component of global pandemic preparedness and response.

The trajectory of countries is not uniform, however; if we dig deeper into the data, we find that three quarters of the decline in coverage is driven by three large Asian countries (India, Indonesia, Pakistan) with strong pre-pandemic performance. Decline in progress in these three countries has driven the 30% increase in zero-dose children in 2020. This is a grim reminder of the urgent need to reclaim gains and push for equity in immunisation. On somewhat positive note, and as I shared in a recent Board update, several countries are progressing in eligibility. Again, the experience is variable by country, and safeguarding domestic financing for life-saving interventions such as immunisation continues to be a top priority.

Given the increased heterogeneity across countries, the Alliance must take a tailored approach to supporting countries in maintaining, restoring and strengthening their routine immunisation systems. We also know that the pandemic hit the most vulnerable populations the hardest, making our goal of reaching zero-dose children even more relevant and pressing. Over three quarters of under-immunised children are now zero-dose, heightening the risk of child deaths, disease outbreaks and medical impoverishment. This is a call to action and why we are pressing forward with our refined focus on zero-dose children, recognising that to reach our goal will be a steep path in many countries – and amid the challenges of COVID-19 vaccine roll-out as supply increases.

COVAX was developed in an uncertain time, and we have been adapting as the pandemic evolves. We locked in doses where manufacturing capacity was available; we constantly adjusted in the face of setbacks on supply availability, signing six new deals to diversify the portfolio geographically and by type of vaccine platform; setting up new dose donation mechanisms; and navigating the complexity of delivering donated doses across the globe. Today, COVAX has delivered nearly 300 million doses to 141 countries, of which over 220 million were to Gavi COVAX AMC countries, and over 115 million were from dose donations. We have also signed our first cost-sharing arrangements with countries and the World Bank and Asian Development Bank for doses for later in the year. And we have received applications for the COVAX Humanitarian Buffer.

On 8 September, I shared with you our latest supply forecast, indicating a decrease in COVAX's projected supply for 2021. Although we are set to meet our original goal of approximately 20% coverage in AMC countries by the end of the year, we now expect to hit the milestone of 2 billion doses delivered by Q1 of 2022. The reasons for this are clear: continued export bans; the prioritisation of bilateral deals by manufacturers and countries; ongoing challenges in scaling up production by some key producers; and delays by some manufacturers in filing for regulatory approval. Currently, only 20% of people in low- and lower middle-income countries (and only 1.9% in low-income countries) have received a first dose of COVID-19 vaccine, compared to 80% in high- and upper middle-income countries. This is unacceptable. As you will have seen in the latest supply forecast, we are more forthcoming with the public about these challenges, as part of a more open, proactive and transparent approach to our communications.

All partners need to do their part. We are calling on manufacturers to meet their commitments to COVAX and provide transparency in their supply queues, so that

we can understand whether setbacks are affecting supply to lower-income countries only. We are asking governments to proactively support this call, and to increase predictability and timeliness on their dose donations – thereby reducing the burden on countries preparing to deploy the donated doses.

While the current increase in doses is good news, we are still working to unlock further doses and managing continued risk of further decreases to our supply. As an Alliance, we have also turned our attention to the needs of countries to build up delivery capacity. Through the course of Q4, we are expecting to deliver nearly 1 billion doses. The Alliance is working hard to support countries, prevent waste and minimise expensive reallocations, while protecting RI systems and other essential health services.

At the June Board, you approved our COVID-19 vaccine Delivery Support (CDS) funding and encouraged optimal flexibility to permit the funds to flow quickly. As you will have seen in the COVAX Board paper, we have moved swiftly to make the funds available, with a streamlined, three-page application and maximum flexibility. The deadline for the first window has just passed, and we have received applications from almost all countries. Despite a slower start than expected, with many countries waiting until the deadline to submit their application, the funds have begun to flow. We are now opening up our remaining CDS window and scaling up technical assistance for COVID-19 vaccine introduction, with funding for more than 400 in-country positions.

In addition, we are continuing to procure and deploy cold chain equipment (CCE) to fill critical gaps, primarily at national and regional levels, building on our pre-pandemic work. The Alliance has come together to assess and monitor, at country, regional and global levels, country-by-country absorptive capacity, support remediation and adapt supplies. As part of this, we launched a dedicated taskforce focused on country preparedness for Pfizer ultra-cold chain (UCC) doses, as well as US\$ 25 million of dedicated funding to scale up storage and vaccine management capacity. As of today, 47 participants have formally requested support, of which 23 (48%) have already received their equipment. By the end of this month, 86% of requests are expected to be fulfilled, with all shipments representing sufficient storage for approximately 67 million doses of Pfizer vaccine.

As we near 2022, we are taking a critical look at the constantly evolving landscape, building on lessons learned and planning for the work ahead. In working with the global community – including the African Vaccine Acquisition Task Team (AVATT) and others – toward achieving the aspirational global COVID-19 vaccination target of 70% population coverage, we are exploring COVAX's role through a couple of different coverage scenarios; we unpacked these together in our technical briefing and will discuss further at the upcoming Board. We are also proposing a contingency fund – this is particularly important to provide COVAX and the countries it supports with the necessary flexibility to manage risk, including the need for boosters, vaccines targeting variants and evolving strategies for vaccination of paediatric populations. This increased ambition will require additional resources, and we are exploring with countries and partners potential cost-sharing and other innovative financing approaches to augment the needed

cash contributions. To lock in early doses, we need early cash – and this remains true as we prepare for 2022. For predictability and to best support countries in their planning, we must operate on a base of donor-subsidised doses secured through advance purchase agreements (APAs) complemented by a mix of additional resources, including dose donations and innovative instruments (such as cost-sharing and multilateral development bank concessional funds). We will also adjust our contribution as needed over time, as we have a better understanding of the epidemiology, vaccine performance and data on different age groups.

Our work in COVAX is built on 20 years of experience in delivering results – this is why we were so well positioned as an Alliance to step in. In the midst of our 2022 planning for COVID-19, we are not losing sight of our mission to build sustainable immunisation systems as the backbone of primary health care, and our Gavi 5.0 focus on zero-dose children and missed communities. We are exploring the ways in which COVAX can support our core mission – and vice-versa. For example, the COVAX Humanitarian Buffer can yield important lessons that can be applied to routine immunisation. Working with countries, we are already starting to leverage the political focus on COVID-19 vaccines to protect and strengthen routine immunisation programmes and to further our ambition to reach the most marginalised. We are also working through strategies to tether our CDS investments (e.g. UCC and workforce) to routine systems, potentially building out a platform for future life-course vaccines and leveraging critical innovations to extend the reach of routine immunisation. As a learning organisation, Gavi is continually examining lessons from COVAX; these are being used to inform the 2022 COVAX strategy, as well as to strengthen Gavi 5.0 implementation. With this alignment and recognising the mutually reinforcing nature of the work, we are looking to more closely integrate COVAX processes and administration into Gavi core programmes over time – something we are touching on during our organisational review discussion on 20 September, followed by a full-fledged discussion at the December board meeting.

During the last few months, conversations on pandemic preparedness have been heating up as leaders try to reach a consensus on what structures and architecture might be appropriate to put in place before the next pandemic. Our focus right now is dealing with the pandemic at hand; but we have been consulted extensively by the different working groups and academic think tanks working in this area. At the recent G20 Health Ministers' Meeting, I had the opportunity to present the work we have done and what steps we can take today to improve global pandemic response; we received strong support for the work of COVAX and the Alliance. We will continue to engage in these discussions to help ensure that future pandemic response is both practical and built on the important experience base that exists. We have tackled important challenges and built many new systems; it will be important that these are maintained going forward.

It has been a very busy September, with my first work trip since the start of the pandemic to attend the G20 Health Ministers' Meeting in Rome, as I noted earlier; hosting our partners from the African Union and Africa CDC in Geneva last week; and participating remotely in the UN General Assembly this week. The same is true from a governance perspective, with the technical briefing on malaria earlier

this month, the briefing on the COVAX 2022 strategy last week and the informal Board meeting on the organisational review this past Monday – all leading up to our Board meeting next week.

Overall, this continues to be an unpredictable and difficult time requiring adaptability, perseverance, grit and patience. Secretariat staff are still working from home, but we are finally slowly beginning to use the office again as we prepare for partial return in a new hybrid working environment from 1 November. As always, I can't end a report without acknowledging the remarkable dedication from across the Alliance and its staff, a source of strength for me personally and professionally as we continue to chart new waters.

Again, looking forward to our discussions, and as always I welcome any thoughts or comments.