

FINANCE

BOARD MEETING

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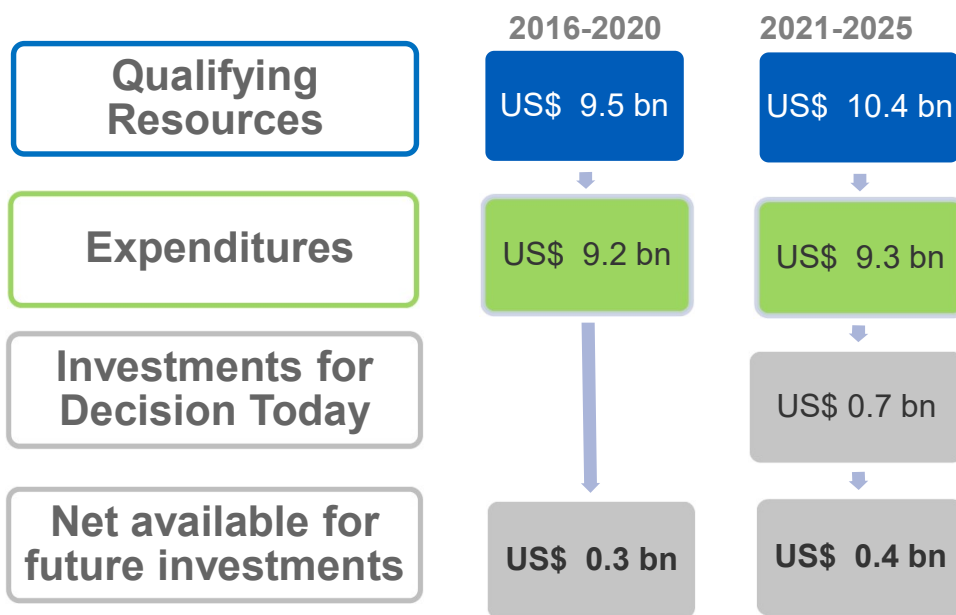
15-17 December 2020, Virtual Meeting



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EXECUTIVE SUMMARY

Sufficient Resources to fund current and future Board decisions for 5.0



1. 2016-2020 Gavi 4.0

- *Delivered within 1% budget despite COVID-19*

2. 2021-2025 Gavi 5.0

- *Successful replenishment and US\$ 1.2 bn still available for future investments*

3. Proposed Investments

- *US\$ 0.7 bn prioritised*

4. Secretariat

5. Partners' Engagement Framework (PEF)

6. Recommendations

2

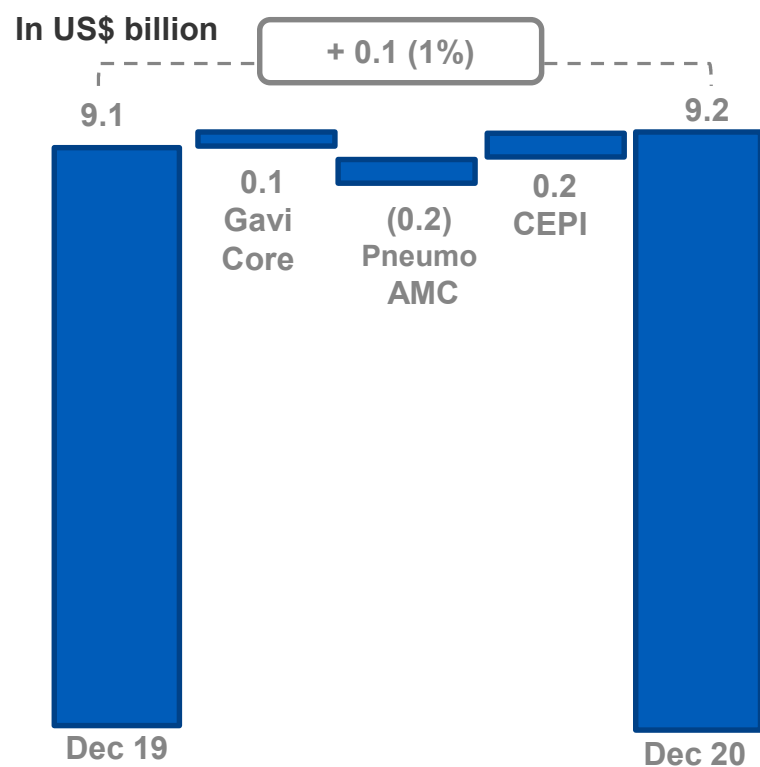
Excluding COVAX AMC and Self Financing resources & expenditures

Board meeting
15-17 December 2020



1. 2016-2020 Expenditures in line with latest forecast

Dec 19 – Dec 20: variance mainly related to the COVID-19 pandemic



- Overall spend projected at US\$ **9.2 bn**, **+1%** compared to Dec 2019 forecast
 - Slight increase of US\$ **0.1 bn (US\$ 81 million)** in expenditures
 - End of the pneumococcal **AMC** program - US\$ **(0.2 bn)** remaining balance transferred to COVAX AMC and pneumococcal program in 5.0
 - US\$ **0.2 bn** Coalition for Epidemic Preparedness Innovations (CEPI) 'flow through' expenditure
- Leaving US\$ **0.3 bn** available at the end of the current strategic period to be carried forward to the 2021-25

2. US\$ 1.2 bn Resources Available to Fund Strategic Investments in 2021-2025

September 2020
Board

US\$ 1.7 bn

Resources available for investments

- (US\$ 219 million) Net movement in inflows (transfer to COVAX AMC)
- (US\$ 150 million) COVID-19 delivery cost (Board approved in Sept 2020)
- (US\$ 175 million) Re forecasted core vaccine expenditure
- (US\$ 66 million) Other costs
- + US\$ 115 million Adjustment in the cash reserves

December 2020
Board

US\$ 1.2 bn

Resources available for investments

US\$ 0.7 bn

Investments submitted
for approval today

US\$ 0.4 bn

Net available resources for
future Board decision

Board meeting
15-17 December 2020

3. US\$ 743 million priority investments submitted for decision

Overall Resources	2016-20 Strategic period	Investments submitted for approval	2021-25 Strategic period	
HSS <i>as % of overall resources</i>	US\$ 1,425 m 15%	US\$ 500 m	US\$ 1,700 m 16%	Investments in zero-dose children and missed communities
PEF (TCA \$80m, SFA&FS \$48m) <i>as % of overall resources</i>	US\$ 697 m 7%	US\$ 128 m	US\$ 865 m 8%	
Secretariat <i>as % of overall resources</i>	US\$ 497 m 5%	US\$ 90 m	US\$ 648 m 6%	Surge in Partners and Secretariat capacity and technical assistance to countries to achieve Gavi's ambitious equity agenda
Fiduciary risk assurance costs & Financial Mgmt.		US\$ 25 m	US\$ 25 m	
Total		US\$ 743 m		Strengthening Fiduciary risk mitigation and Financial Management to build sustainability (bridge funding for 2021)

4. Secretariat budget for 2021-2022

Greater capacity is needed in specialised resources to drive progress on Gavi 5.0 and its strategic goals, including zero-dose agenda, strengthen programming and oversight

In US\$ million:	Variance 5.0 vs 4.0			2020	Budget proposal		Var. 2021 vs. 2020	
	2016 - 2020	2021 - 2025	%		2021	2022		
Secretariat	544	648	19%	110	129	133	18	17%
Salary and Other staff costs	299	378	27%	60	73	74	13	21%
Consultancy & Professional Services	107	105	-2%	24	21	21	-2	-9%
Facility & Office costs	54	51	-6%	9	10	10	1	7%
Travel, subs & accomodation	29	33	11%	6	5	6	-1	-12%
Events & Mtgs	19	19	-3%	4	3	4	-1	-24%
Other costs	25	32	28%	5	6	6	1	17%
One off expenditure	11	31	N/A	2	10	12	8	N/A
Secretariat excl. one off expenditure	533	617	16%	108	119	121	10	10%

- Organisational review identified opportunities for efficiency gains as well as additional capacity needed to address the increased complexity in engaging with fragile countries, targeting support at sub-national level, reaching zero-dose children and providing effective stewardship of larger resources and increased business complexity

5. Partners' Engagement Framework budget 2021-22

Additional support for zero-dose to complement and catalyse HSS investments and help accelerate progress on the equity agenda

In US\$ million:	Variance 5.0 vs 4.0			2020	Budget proposal			
	2016 - 2020	2021 - 2025	%		2021	2022	Var. 2021 vs. 2020	
PEF	1,081	1,231	14%	255	252	250	-3	-1%
TCA	414	500	21%	100	100	100	0	0%
SFA & FS	324	365	13%	65	75	75	10	15%
Post Transitional Support	51	8	-85%	22	6	1	-16	-72%
Other	292	358	23%	68	71	73	3	4%
PEF excl. post transitional support	1,030	1,223	19%	234	246	248	13	5%

Additional Investments dedicated to:

- Targeted Country Assistance - continue to diversify provision of TCA and scale-up technical assistance at subnational level
- Foundational Support (FS) and Strategic Focus Areas (SFA) – accelerate normative guidance and transformative tools by partners at global and regional levels on critical areas to the equity agenda (gender-related barriers, vaccine hesitancy, ...)

6. Recommendations

Recommendation 1 - Finance (1/2)

The Gavi Alliance Audit and Finance Committee reviewed the Financial Forecast and **recommends** to the Gavi Alliance Board that it:

- a) **Note** that the Audit and Finance Committee has reviewed the financial implications of the recommendations to be made to the Programme and Policy Committee as set out in Figure 1 of Doc 02a and concluded that these recommendations could be approved by the Board in accordance with the Programme Funding Policy;
- b) **Approve** the updated Financial Forecast for the period 2016-2020 as set out in Section B of Doc 02a;

Recommendation 1 - Finance (2/2)

- c) **Approve** the Financial Forecast for the period 2021-2025 as set out in Section B of Doc 02a, which is dependent on resources becoming available for that period; and

- d) **Authorise** the Gavi Secretariat to allot funding in 2021 for new programmes and for the continuation and adjustment of funding to existing programmes, in accordance with the Programme Funding Policy.

Recommendation 2 – Finance (1/2)

The Gavi Alliance Audit and Finance Committee **recommends** to the Gavi Alliance Board that it:

- a) **Note** that the budget for Vaccine, CCEOP and Surveillance equipment Procurement fees for 2022 is provisional and will be presented for Board approval once the MoU9 discussions are concluded.
- b) **Approve**, within the overall amount of US\$ 252.5 million for 2021 and US\$ 249.8 million for 2022 for the Partners' Engagement Framework, the following allocations:
 - i. US\$ 175.2 million each year for PEF Targeted Country Assistance, Special Investments in Strategic Focus Areas and Foundational Support;

Recommendation 2 – Finance (2/2)

- ii. US\$ 24.0 million each year for investing in Partnerships in Innovation to be administered by the Secretariat;
 - iii. US\$ 21.4 million each year for Impact Assessments and Evaluations to be administered by the Secretariat.
- c) **Approve**, US\$ 128.5 million in 2021 and US\$ 132.7 million in 2022 for Secretariat Resources.
- d) **Approve**, US\$ 1 million in 2021 and US\$ 0.5 million in 2022 for capital expenditure budgets.

Thank you



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