

Sept 30 Extraordinary Board Meeting

COVAX Facility

Seth Berkley, CEO



Board meeting
29-30 September 2020

www.gavi.org

COVAX Facility latest sign-up numbers

76 higher income economies have now joined the COVAX Facility **covering >1 B people** with 47 individual commitments + 29 from 'Team Europe'

Combined with AMC92, this means a total of **168 economies**, representing nearly **two-thirds of the global population**, are now committed to or eligible to receive vaccines through the Facility

A further **25 economies** still indicating they will sign on as soon as they can = up to 193 economies

Current SFP volume is 444M and it is expected to increase by ~35% with the added subscription, **reaching a total of 601 M doses**

With 92 AMC economies representing 3.9 B people, **COVAX Facility could provide for 5.8 B people and a total volume of 1.7 B doses**

Update: SEPT 30

Detailed COVAX risk assessment underway

Summary of top risk areas (1/2)

- **Failure to establish a successful Facility**
 - **Entering into agreements rapidly is critical** to reserve sufficient/timely volumes
 - Failure would cause inequitable access with continued impact on the **global economy and Gavi's core programmes**, and may affect Gavi's reputation
- **Financial risk**
 - **Liquidity gaps** (due to cash flow mismatches), **credit risk** (due to sovereign defaults) and **overcommitments** (due to lower attrition, opt-outs) creating **liabilities for Gavi**
 - Given low risk appetite, **only enter into deals with sufficient financial backing** to minimise risk on Gavi's balance sheet
 - However, there are **constraints** in financial backing given uncertain optional purchases and inability to take risk on SFP commitments; actively exploring solutions to enable deal-making:
 - Reduce risk in contracts where possible (e.g. mirroring optionality); secure SFP commitments with guarantees, insurance, financial instruments; cover liquidity gaps with loans and payment terms; use risk sharing guarantee and have pre-deal clarity on opt-outs; ensure successful AMC fundraising effort
 - **Need to balance risks of running the Facility with risks of inaction;**

Detailed COVAX risk assessment underway

Summary of top risk areas (2/2)

- **Operational risk**
 - Stretched people, new processes, increased transactions, many partnerships
 - Setting up a separate team with dedicated MD; developing a full operations plan; seeking secondments for qualified people ready to operate
- **Other familiar programmatic risks in-country managed similar to other vaccine programmes** (e.g. country readiness incl. cold chain, uncertain demand, vaccine safety, vaccine diversion/misuse, vaccine hesitancy)