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Subject **COO and Financial Update, including forecast**

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Agenda item **04**

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Category **For Decision**

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## **Section A: Executive Summary**

### **Context**

This paper presents the updated Financial Forecasts for Gavi 5.1 (2021-2025), COVAX AMC (2020-2023) including COVID-19 immunisation programme (2024-2025) to the Board for approval based on the recommendation of the Audit and Finance Committee (AFC).

The **Gavi 5.1** forecast confirms sufficient financial flexibility given the uncertain context with US\$ 109 million available for future investments. The forecast reflects a decrease of US\$ 161 million in resources and a decrease in programmatic expenditures of US\$ 125 million (before new items for decision).

- **Changes to forecast:** The decrease in forecast expenditure is driven by the proposed rephasing of cash programmes into the next strategic period partly offset by increased vaccine costs. While overall cash support to countries (Core and COVAX COVID-19 Delivery Support (CDS)) is forecast to remain at record levels for the rest of the strategic period, the Gavi 5.1 Health Systems Integration and Strengthening (HSIS) forecasts are US\$ 268 million lower (US\$ 150 million Health Systems Strengthening (HSS), US\$ 140 million Equity Accelerator Fund offset by a US\$ 23 million increase driven by Campaign Operational Costs), reflecting absorptive capacity in certain countries for HSS and to extend the timeline into 2026/2027 for countries to implement their EAF programmes. These funds are now forecast to be disbursed in the next strategic period but will remain available to countries to utilise in Gavi 5.1 if absorption exceeds current forecasts (in which case the forecast could be revised upwards again in a future cycle). Therefore, the resulting cash programme forecast reflects the current best estimate of disbursement phasing and does not represent the active deferral of any underlying programmatic activities. Increased vaccine procurement costs (US\$ 151 million or +3%) are driven primarily by increased demand for measles & measles-rubella vaccines in response to coverage declines and increased outbreak risk. To balance the rephasing of cash programmes into the next strategic period, US\$ 179 million of IFFIm (International Finance Facility for Immunisation) proceeds will also be deferred.
- **Items for decision:** the Board is asked to approve US\$ 29 million expenditure in the Gavi 5.1 forecast for the launch of the Hexavalent vaccine programme, noting that the impact on **Gavi 6.0** is forecast between US\$ 357 – US\$ 430 million, as well as a US\$ 10 million time-limited envelope for a Global Virtual Pooled Inventory (GVPI) for Ebola Sudan and Marburg candidate vaccines. As a result of countries' EAF applications being delayed due to the pandemic, the Board is also requested to approve the extension of the timeline to disburse the remaining EAF funds from

end 2025 until end 2027. All Gavi 6.0 requests are contingent on financial resources being made available.

The **COVAX AMC** forecast (2021-2023) reflects lower expenditure driven by lower demand and re-phasing of CDS expenditure. The Board is requested to note the CDS expenditure re-phasing of US\$ 320 million from 2023 into 2024/2025 (as endorsed by the AMC Investors' Group). The expected cost of a COVID-19 routine immunisation programme in 2024 and 2025, funded from the Pandemic Vaccine Pool (PVP), is included as a new item. Considering the WHO's 5 May 2023 update that COVID-19 is shifting from a public health emergency of international concern (PHEIC) to an established and ongoing health issue, Gavi will continue to actively monitor demand although this does not change the COVID-19 programme strategy target population.

Following a preliminary review at the May 2023 Programme and Policy Committee (PPC) meeting, the Secretariat will return to the PPC and Board at the end of the year with a fully scoped proposal for Gavi in the Global Virtual Pooled Inventory (GVPI). The Board is asked to approve the recommendation of the PPC for the creation of a time-limited envelope of up to US\$ 10 million for GVPIs for Ebola Sudan and Marburg candidate vaccines, dependent on a specific request from WHO and/or CEPI (Coalition for Epidemic Preparedness Innovations), and conditional on Market-Sensitive Decisions Committee approval of individual agreements.

**Risks and opportunities** to the Gavi 5.1 and COVAX AMC forecasts are also presented in this paper, noting the uncertain context in which Gavi is operating and that there are a range of outcomes in some key areas, and noting that projected COVAX interest income is not included in the Financial Forecast (projected in the range of US\$ 100 to US\$ 496 million) pending alignment of use with donors.

**Gavi 6.0** (2026-2030) projections are presented to comply with the Programme Funding Policy (PFP) and to enable the Board to take into account the longer-term implications when considering the funding of new programmes, noting it does not prejudice future donor contributions or future Board discussions on the Gavi 6.0 Strategy or other Strategic Investments. The Board is requested to approve the illustrative financial forecast for Gavi 6.0 - noting that any commitments made relating to the next strategic period are contingent and may be rescoped based on approval of the Gavi 6.0 strategy and future funding being secured - to enable the Alliance to allot funding to existing programmes under the Multi-Year Approval framework.

### Questions this paper addresses

- Is there sufficient funding available to deliver on Board-approved priorities for Gavi 5.1 and COVAX AMC, with adequate financial flexibility remaining to respond to the uncertain operating context?
- What is the financial impact of the new decisions being presented for Board approval included in this forecast, including COVID-19 routine immunisation programme, Hexavalent vaccine programme and GVPI?
- What are the risks and opportunities not yet reflected in the financial forecast?

- What is the current Gavi 6.0 (2026-2030) projection based on approved programmes and decisions for Board approval contingent on future funding being secured?

## Conclusion


The AFC reviewed the Financial Forecasts and concluded that sufficient funding is available for the additional investment priorities and recommends the Board approves the following updated Forecasts:

- **Gavi 5.1 (2021-2025):** Qualifying Resources of US\$ 10.2 billion and Forecast Expenditure of US\$ 10.1 billion;
- **COVAX AMC and COVID-19 Programme (2020-2025):** Qualifying Resources of US\$ 12.5 billion and Forecast Expenditure of US\$ 9.9 billion and US\$ 2.5 billion earmarked for the pandemic vaccine pool (US\$ 2.0 billion) and dose sharing ancillaries contingencies (US\$ 0.6 billion); and
- **Gavi 6.0 (illustrative) (2026-2030):** prepared to comply with the Programme Funding Policy, with Qualifying Resources of US\$ 8.8 billion and Forecast Expenditure of US\$ 6.3 billion noting that the funding of Gavi 6.0 programmes is contingent on future funding being secured.

## Section B: Financial Update, including forecast

## 1. Gavi 5.1 Financial Forecast

Figure 1: Gavi 5.1 Financial Forecast Overview

US\$ million, cash-flow basis	2021-2025			
	Prior Forecast (v20) Dec 2022 Board	Change upon updating estimates	Decisions for consideration in June 2023	New Forecast (v20.1) June 2023 Board
Assured Resources (projected)	9,845	(161)		9,684
Allowance for Further Direct Contributions	535	0		535
Qualifying Resources	10,380	(161)	0	10,219
	\$10.4 bn			\$10.2 bn
Forecast Expenditure	10,196	(125)	39	10,110
	\$10.2 bn			\$10.1 bn
Available for future investments	183	(36)	(39)	109
	\$0.2 bn			\$0.1 bn
				
Decisions for consideration by the Board (US\$m)			Decision amount	
Hexavalent Investment Case			29	
Global Virtual Pooled Inventory (Ebola, Marburg)			10	

*Note: US\$ 10 million expenditure included above for Global Virtual Pooled Inventory was reported as a 'risk' to the forecast at the 11 May 2023 AFC forecast review but has now been included in the forecast, with the AFC advised of the change at the 8 June*

*2023 AFC meeting (including that the decision to approve based on US\$ 10.1 billion expenditure level does not change with the inclusion of the above GVPI).*

- 1.1 While underlying donor contributions remain robust and are unchanged from the prior forecast, **Qualifying Resources** are US\$ 161 million lower at US\$ 10.2 billion driven by the deferral of IFFIm proceeds from Gavi 5.1 to Gavi 6.0 (to support the rephasing of cash programmes).
  - a) Direct contributions have increased by US\$ 69 million driven by changes in foreign currency rates to revalue non-USD denominated pledges not yet hedged. Underlying donor commitments remain unchanged. Approximately US\$ 0.9 billion of the non-US dollar denominated pledges (principally Euro and GBP) are not yet hedged, due to agreements and contribution schedules not being finalised, resulting in the US Dollar value of these pledges being subject to foreign currency fluctuations (but with some of this FX risk being offset by a natural hedge from Euro vaccine purchases).
  - b) IFFIm proceeds have been reduced by US\$ 264 million. The March 2023 World Bank forecast for IFFIm proceeds is US\$ 85 million lower than the previous forecast. This is driven by a number of factors including higher interest rates and foreign exchange movements on previously unhedged and unsigned pledges. All existing pledges have now been signed and hedged. A further US\$ 179 million is reforecast to Gavi 6.0 to match the rephasing of cash programmes while also continuing to be available in Gavi 5.1 (subject to IFFIm Board approval) if required.
  - c) Forecast Investment Income on the short-term investment portfolio is US\$ 34 million higher than the prior forecast driven by higher interest rates. Short term investment income is forecast using cash flow models and interest rate forecasts. For the long-term investment portfolio, actual income generated is reflected under Qualifying Resources, whereas future forecast investment income is not currently included in the forecast. In response to a request from the AFC, the methodology to assess the projections on long term investment income is being reviewed (as part of the Programme Funding Policy review). Therefore, this is not included in the forecast pending finalisation including validation by the Investment Committee.
- 1.2 **Forecast Expenditure**, before items for decision, is lower than the prior forecast (US\$ 125 million or 1%), with re-phasing of HSIS spend into the next strategic period (representing the latest expectation on disbursement timing rather than a programmatic deferral of activities) offsetting increased vaccine expenditure (which is driven primarily by higher demand to offset increased outbreak risk). Further details on changes in expenditure can be found below and on BoardEffect (with materials from the 11 May AFC meeting).
  - a) **Vaccine** expenditure shows an increase over the prior forecast (US\$ 151 million or 3%) driven primarily by the measles and measles-rubella (MR) programmes with elevated introduction and campaign expectations (in response to lower coverage and increased outbreak risk following the COVID-19 pandemic; please refer to Doc 02b for further information on the measles outbreak risk and required mitigating actions), and increased

pneumococcal conjugate vaccine (PCV) volumes due to a stronger rebound in 2022 shipments versus forecast following earlier supply and pandemic-linked constraints, as well as earlier campaign assumptions in 2024/25. Also included is a revised launch expectation for the multivalent meningococcal programme (2025 versus Gavi 6.0 previously, noting this was one of the vaccine programmes approved under VIS (Vaccine Investment Strategy) 2018), the cost estimate for which may be subject to revision in the next forecast cycle (following expected guidance from SAGE (WHO Strategic Advisory Group of Experts on Immunization) on target cohorts).

- b) **HSIS** expenditure is below prior forecast levels (US\$ 268 million or 11%), although cash grant expenditure across core HSIS and COVAX CDS remains at record levels. The forecast represents the latest expectations of future disbursement levels as countries manage utilisation of available CDS and HSIS funding over the coming years. With the AMC Investors' Group endorsing an extension of CDS implementation until 2025, countries will likely utilise this funding for some of their relevant health systems funding priorities like integrating COVID-19 vaccination into routine immunisation, leading to reductions in forecast HSS expenditure (US\$ 150 million or 12%). Delays in applications for the Equity Accelerator Fund (EAF) due to the COVID-19 pandemic mean that EAF disbursement is also forecast to be lower in Gavi 5.1 (US\$ 140 million or 32%)<sup>1</sup>, with the Board being asked to approve an extension of EAF disbursements until 2027, as recommended by the PPC, to allow countries time to implement their programmes. To maximise utilisation of available resources, the Secretariat is undertaking a detailed exercise to identify opportunities to increase country-level and portfolio level absorption capacity and reallocate available funding where relevant.
- 1.3 At its May 2023 meeting, the **PPC** recommended for approval the opening of a funding window for the **Hexavalent** vaccine programme. The financial impact of the base demand scenario (US\$ 29 million) is included in the financial forecast for approval and, noting that the financial impact of the high demand scenario is US\$ 62 million, the vaccine programme forecast will be updated in future forecast cycles as demand crystallises.
- 1.4 The PPC also provided guidance on the Secretariat's approach to unpausing four **VIS 2018 vaccine programmes** (DTP boosters, Hep B birth dose, Rabies PEP (postexposure prophylaxis) and RSV (respiratory syncytial virus), noting that the Cholera (preventive) and MMCV (multivalent meningococcal conjugate vaccine) programmes were not paused and are progressing in Gavi 5.1). The implementation of these four programmes, previously approved by the Board, were paused during the pandemic and introductions for these programmes are not currently forecast before Gavi 6.0. Following PPC guidance, the Secretariat together with Alliance partners will explore the possibility of unpausing with greater speed. The Secretariat will work closely with Alliance partners to review more detailed evidence, including on partner and Secretariat resourcing needs, in order to submit an updated financial forecast to the October 2023 AFC, PPC and December 2023 Board.



- 1.5 **Secretariat Operating Expenditure** remains unchanged from the prior forecast. Management's goals relating to efficiency gains and synergies to be realised through Operational Excellence remain an opportunity relative to this forecast.

## 2. COVAX AMC Financial Forecast (including COVID-19 routine immunisation)

Figure 2: COVAX AMC and COVID-19 programme

US\$ million, cash-flow basis		2020-2023			2024-2025		2020-2025
		Prior Forecast v20.0 Dec 2022 Board	Change upon updating estimates	New COVAX Forecast v20.1 June 2023 Board	CDS Rephase (2024-2025)	C19 Programme (2024-2025)	Total COVAX + C19 Forecast v20.1 June 2023 Board
Doses (Volume)		2,686	(675)	2,010	-	120	2,130
A	Qualifying Resources	12,477	4	12,481	-	-	12,481
		\$12.5 bn		\$12.5 bn			\$12.5 bn
	Vaccine Expenditure	8,789	(1,001)	7,788	-	-	7,788
	COVID-19 Programme					711	711
	CDS Expenditure	1,443	(320)	1,123	320	-	1,443
B	Forecast Expenditure	10,233	(1,322)	8,911	320	711	9,942
		\$10.2 bn		\$8.9 bn			\$9.9 bn
	Dose Sharing Ancillary	424	151	575	-	(14)	561
	Pandemic Vaccine Pool	1,821	855	2,676	-	(697)	1,979
	CDS Rephase	-	320	320	(320)	-	-
A-B=C	Total	2,244	1,326	3,570	(320)	(711)	2,539
		\$2.2 bn		\$3.6 bn			\$2.5 bn
In-Kind Resources (Dose Sharing US\$m)		7,634	(1,246)	6,388	-	280	6,668
		\$7.6 bn		\$6.4 bn			\$6.7 bn

- 2.1 **Qualifying Resources** remain unchanged at US\$ 12.5 billion versus the prior forecast. Note that the forecast resources exclude investment income, which is highlighted separately as an opportunity (see paragraph 5.3) of up to US\$ 496 million for COVAX AMC & SFP (self-financing participants) pending alignment of use with donors.
- 2.2 **Forecast Expenditure overall** is US\$ 9.9 billion, of which US\$ 9.2 billion is for COVAX 2020-2023 and US\$ 0.7 billion for a 2024-25 COVID-19 Programme, recommended by the PPC for Board approval).
- 2.3 **COVAX Vaccines expenditure** through 2023 is lower than the previous forecast by US\$ 1.0 billion driven by lower procurement levels. Demand for COVID-19 vaccines through COVAX in 2023 is expected to be between 200-300 million doses, whereas the prior forecast anticipated up to 660 million doses. The current high demand for adolescent and paediatric vaccines is expected to decline in the second half of 2023 due to revised SAGE guidance, which recommends shifting focus to high priority groups and de-prioritising healthy children and adolescents (6 months - 17 years).
- 2.4 **CDS Expenditure** - Gavi is rephasing US\$ 320 million of CDS funding into 2024- 2025 to better meet countries' timing needs.
- 2.5 The **COVID-19 Programme expenditure** in 2024-2025 is estimated to be US\$ 0.7 billion. The programme was reviewed at the May 2023 PPC and is to be considered for approval at the June 2023 Board meeting. The projected demand for additional COVID-19 doses for the high priority group in 2024-2025 ranges from 120- 240 million doses. The US\$ 0.7 billion includes operational and PEF

(Partners' Engagement Framework) costs. Please refer to May AFC supporting materials available on BoardEffect for more details.

- 2.6 **Pandemic Vaccine Pool:** Considering the adjusted 2023 demand, the PVP is projected to hold US\$ 2.7 billion at the end of 2023. It will be reduced to US\$ 2.0 billion after funding the US\$ 0.7 billion COVID-19 programme in 2024 and 2025. Additionally, US\$ 0.6 billion will also be held for **Dose Sharing ancillary costs**, giving much needed flexibility for various supply scenarios over the 2023- 2025 period.
- 2.7 **The value of Dose-sharing** doses over the 2021-2025 period, currently estimated at US\$ 7 billion, is excluded from the Financial Forecast as it's a non-cash item.

### 3. Gavi 6.0 Illustrative Financial Forecast

- 3.1 The high-level illustrative Gavi 6.0 Financial Forecast set out below is presented to comply with the Programme Funding Policy (PFP) and enables the Board to take into account the longer-term implications when considering the funding of new programmes. Further, the PFP permits the Secretariat to allot funding only within the limits of a Board approved financial forecast, and therefore a forecast through to 2028 is required for allotment of funding to existing approved programmes under Multi-Year Approvals. The forecast resented is not intended to prejudge future Board discussions on the Gavi 6.0 Strategy or other Strategic Investments or donor contributions.

Figure 3: Gavi 6.0 Illustrative Financial Forecast

**Expenditure Estimate  
2026-2030 (INDICATIVE)**

US\$ million, cash-flow basis

Expenditure Estimate 2026-2030 (INDICATIVE)		Gavi 6.0 2026-2030	
US\$ million, cash-flow basis	Prior Forecast (v20) Dec 2022 Board	Change upon updating estimates	New Forecast (v20.1) June 2023 Board
Assured Resources (projected)	478	114	592
Allowance for further Direct Contributions, not yet pledged (formula-driven, based on existing levels)	8,319	(154)	8,165
Qualifying Resources	8,797	(40)	8,758
	\$8.8 bn		\$8.8 bn
Forecast Expenditure (continuation and extension of Approved & Endorsed Programmes)	8,489	(2,204)	6,285
	\$8.5 bn		\$6.3 bn
Potential Available for Further Investments	308	2,165	2,473
	\$0.3 bn		\$2.5 bn

<b>Included in Forecast Expenditure (as above), for Board Approval</b>	<b>6,285</b>
Vaccines	3,024
Cash-based programmes	1,372
PEF	1,142
OpEx	748
<b>Additional expenditure, not included in Forecast Expenditure (illustrative only)</b>	<b>4,618 - 5,239</b>
Projected introduction of current programmes in new countries (balance of demand)	2,449
Vaccines	1,784
Cash-based programmes	665
Continuation of programmes, previously approved by the Board	1,360
Malaria (vaccines + cash-based)	1,152
VIS 2018 (vaccines + cash-based)	208
Continuation of programmes, subject to Board approval (June 2023)	557 - 630
Hexavalent Investment Case (vaccines + cash-based), range	357 - 430
EAF (delay from Gavi 5.1 to 6.0)	200
Other programmes, for future consideration by the Board	252 - 800
Preventive Ebola Zaire (vaccines + cash-based), range	52 - 100
EAF (Gavi 6.0 / incremental), range	0 - 500
CCEOP (Gavi 6.0 / incremental)	200
VIS 2024	TBD
Institutionalising post-transition support & exploring MICs	TBD
Other new Gavi 6.0 investments	TBD

\*The estimates for 2026-2030 are tentative and presented solely for the purpose of compliance with the Programme Funding Policy. **Qualifying Resources** is presented using a formulaic approach (with the **Allowance for Further Direct Contributions** based on **existing contribution levels** only). **Forecast Expenditure** pertains to continuation and extension of Approved and Endorsed country programmes only and excludes future decisions requiring IRC (Independent Review Committee) review and approval or decision on future Strategy and Strategic Investments.

- 3.2 Qualifying Resources have been estimated at US\$ 8.8 billion based on the principles and formulaic calculation set out in the PFP with Allowance for Future Contributions not yet Pledged based on current contribution levels from existing donors and not prejudging future donor contributions.
- 3.3 Forecast Expenditure of US\$ 6.3 billion is presented based on the continuation of Approved and Endorsed programmes (at country level) with the Core HSS envelope, PEF and Operating Expenditure held flat to the approved 5.1 envelopes (before the impact of any HSS rephasing). Forecast Expenditure now excludes "Balance of Demand" (driving the US\$ 2.2 billion reduction in Forecast Expenditure compared with the prior forecast) relating to the anticipated introductions of



approved Gavi programmes in new countries as this is not required for the Secretariat to allot funding under Multi-Year Approvals.

- 3.4 In addition to Forecast Expenditure as set out above, greater visibility is now provided on the potential Gavi 6.0 costs (US\$ 4.6 - US\$ 5.2 billion) not yet included in Forecast Expenditure associated with Board Approved Programmes (based on the current Eligibility and Transition Policy and estimated launch dates) where (i) Gavi has not yet made an ongoing commitment to a country or (ii) the financial impact of decisions presented to the Board for approval in June. The potential costs associated with other potential new Gavi 6.0 investments and VIS 2024 (not yet approved by the Board) will be included in the future cycle when the programme is presented to the Board for decision.
- 3.5 The Board is requested - noting that any commitments made relating to the next strategic period are contingent, and may be rescoped based on the approval of the Gavi 6.0 strategy in June 2024 and future funding being secured - to approve the financial forecast for Gavi 6.0 to enable the Alliance to continue to efficiently approve programmes under the Multi-Year Approval framework.

#### **4. Risks and Opportunities**

- 4.1 Gavi is operating in a highly uncertain context with the world facing a series of global challenges including the COVID-19 pandemic with health impacts and supply chain disruptions, the Russia-Ukraine crisis with food and energy impacts, increasing inflation and rising interest rates, as well as the visible impacts of climate change. The Secretariat has taken the current uncertainties into account in updating the forecast, and will continue to monitor, react to, and mitigate risks, in particular programmatic needs and macro-economic factors.
- 4.2 Whilst the Secretariat believes that the financial scenarios set out here represent the most likely point forecast, there are a range of outcomes in some key areas. Those specific risks and opportunities to the Gavi 5.1 forecast include:
  - a) an opportunity for additional long term investment income in future periods (based on historic averages) of US\$ 0 to US\$ 100 million, noting that the methodology of calculating and recording this income is being considered and will need to be further validated with the Investment Committee;
  - b) an opportunity, in collaboration with UNICEF in its capacity as procurement agent, of up to US\$ 150 million lower expenditure via more efficient use of escrow cash balances supporting vaccine procurement;
  - c) an opportunity for additional IFFIm drawdown of between US\$ 0 and US\$ 179 million
  - d) up to US\$ 40-50 million in foreign exchange fluctuations on unhedged pledges not yet received representing both an opportunity and a risk (and based on a 5% movement in foreign exchange rates);
  - e) a risk of between US\$ 0 million and US\$ 302 million of increased vaccine expenditure, should a higher level of launches and campaigns be achieved than currently assumed in the forecast (which is itself above the historical

average), including potentially earlier launches than forecast for some VIS 2018 programmes;

- f) a risk of between US\$ 0 million and US\$ 34 million of increased expenditure for the Hexavalent programme, should demand crystallise towards the high demand scenario;
  - g) a risk of increased vaccine expenditure in support of i) efforts to catch-up children missed with immunisation during the COVID-19 pandemic declines, and ii) increased stockpile costs related to ongoing increased outbreak risk (risk ranges to be determined);
  - h) a risk that country HSIS expenditure exceeds the latest, reduced forecast in which case the HSIS forecast may be revised upwards in future cycles if absorption exceeds current projections; and
  - i) a risk of VIS 2018 programme launches before 2026, combined with a risk of increased cash support and partner costs in the Gavi 5.1 period.
- 4.3 Risks and opportunities related to the COVAX AMC and COVID-19 forecast include a risk of higher expenditure in the case of a resurgence or increase in COVID-19 (to be funded by the pandemic vaccine pool and dose sharing ancillary), offset by opportunities for higher demand and dose-sharing (reducing vaccine cost by US\$ 0 to US\$ 200 million) and investment income inclusion in the forecast (US\$ 100 to US\$ 496 million for 2023-2025, subject to individual AMC and SFP agreements, programme cash draw downs and interest rates). In addition, the WHO's change in severity-classification of the COVID-19 pandemic on 5 May 2023 may impact demand for COVID-19 vaccines.
- 4.4 The Secretariat has assessed that the financial forecast presented is robust with sufficient financial flexibility and that the risk and opportunities set out above are not sufficiently certain to reflect in the financial forecast.

### **Section C: Actions requested of the Board**

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

- a) **Note** that the Audit and Finance Committee reviewed the financial implications of the recommendations to be made to the Programme and Policy Committee (PPC) and concluded that, should the PPC support the recommendations relating to the current strategic period, they could be approved by the Gavi Alliance Board in accordance with the Programme Funding Policy, however the recommendations relating to the next strategic period (Gavi 6.0) are contingent on additional funding being made available;
- b) **Note** that the Financial Forecast appropriately reflects Gavi's expenditure needs (as set out in the Gavi Alliance Board's spending plan) and available resources;
- c) **Approve** the updated Financial Forecast for the Gavi 5.1 (2021-2025) Strategic Period of Qualifying Resources of US\$ 10.2 billion and Forecast Expenditure of US\$ 10.1 billion noting that future investment return on the Long-Term Investment Portfolio is not included in the Financial Forecast, pending review of the

Programme Funding Policy scheduled to be tabled for Gavi Alliance Board approval in December 2023;

- d) **Approve** the updated Financial Forecast for the COVAX AMC (2020-2023) and the COVID-19 programme (2024-2025) of Qualifying resources of US\$ 12.5 billion and Forecast Expenditure of US\$ 12.5 billion (made up of US\$ 9.9 billion base expenditure and US\$ 2.5 billion pandemic vaccine pool and dose sharing ancillary, after funding the COVID-19 programme), noting that projected interest income is not included in the Financial Forecast pending alignment of use with donors; and
- e) **Approve** the illustrative Financial Forecast for the Gavi 6.0 (2026–2030) Strategic Period of Qualifying Resources of US\$ 8.8 billion and Forecast Expenditure of US\$ 6.3 billion noting that only **existing Approved and Endorsed programmes have been forecast** and the forecast has been prepared to enable the Secretariat to allot funding to these programmes in accordance with the Programme Funding Policy and **does not prejudge the Gavi 6.0 strategy, future donor contributions or future investment decisions.**

**Additional information available on BoardEffect**

**Appendix 1 (in May 2023 AFC meeting book):** Doc 06c Financial Forecast for Gavi 5.1 and 6.0 (including COVAX AMC through 2023)