

FINACIAL UPDATE, INCLUDING FINANCIAL FORECAST

BOARD MEETING

Assietou Diouf

26-27 June 2023

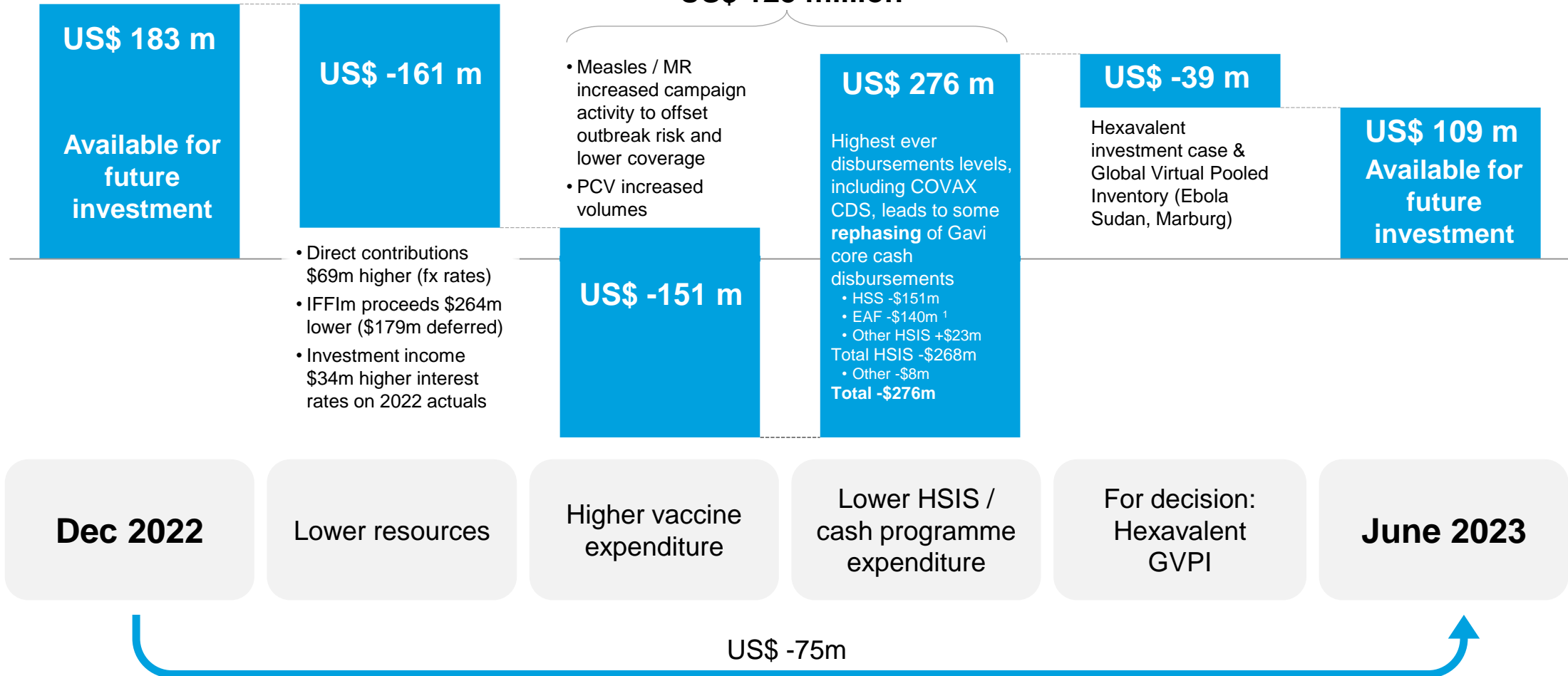
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Gavi Core (2021-2025)

US\$ 109 million remains available for future investments

US\$ 125 million

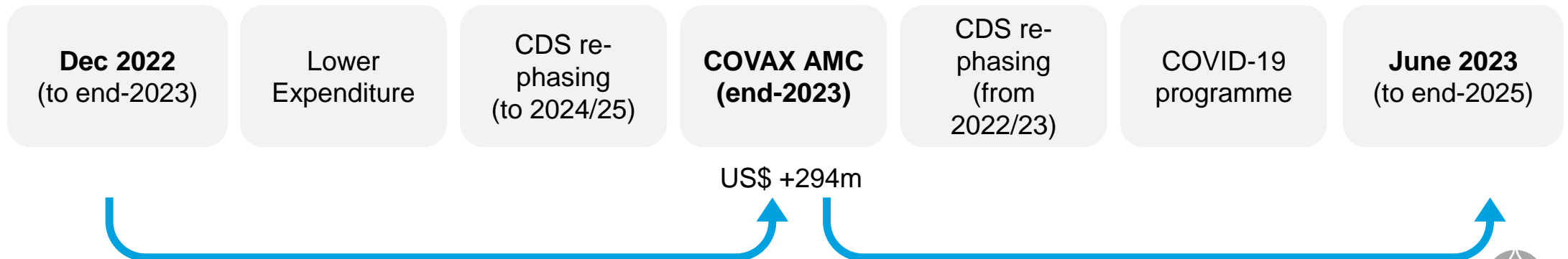
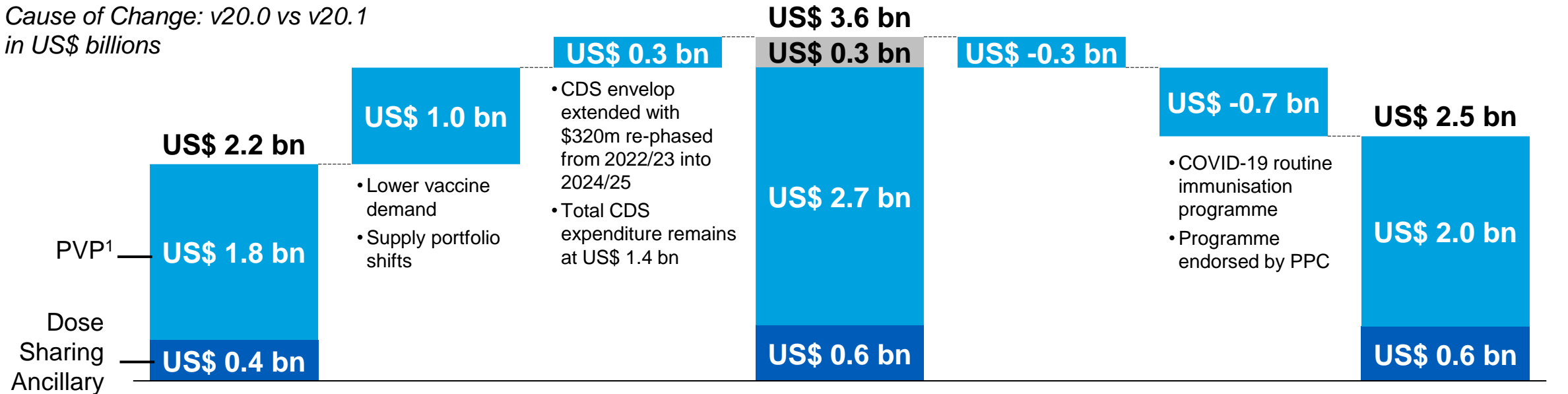


3 ¹ EAF total \$200m re-phased to Gavi 6.0 vs 5.1 envelope, inc \$60m in prior fcast

COVAX (2020-2025)

US\$ 2.5 billion remains available in the PVP (US\$ 2.0 billion) / Dose Share Ancillaries (US\$ 0.6 billion)

COVAX/C19 Financial Forecast
Cause of Change: v20.0 vs v20.1
in US\$ billions



Forecast risks and opportunities (consolidated)

Risks

Gavi Core

- **Future pledges** - foreign exchange fluctuations (5%) US\$ 0 to US\$ 44 million
- **Vaccines** – ambition for higher campaign / launch levels than previously achieved (e.g. Measles) / improved supply (e.g. Cholera) and earlier VIS 18 launches¹ US\$ 0 to US\$ 302 million
- **Hexavalent** – higher demand scenario US\$ 0 to US\$ 34 million
- **Vaccines** – to support catch up campaigns / stockpiles
- **Cash programmes** – higher absorption and earlier VIS 18 support US\$ 0 to US\$ 200 million

COVAX

- **Vaccines** – Gavi remains ready to respond to a resurgence in COVID 19 via the pandemic vaccine pool to procure new vaccines and a dose sharing ancillary pool to fund devices and shipment to countries for doses shared by donors

Risks of US\$ 0 to US\$ 580 million

Opportunities

Gavi Core

- **Future pledges** - foreign exchange fluctuations (5%) US\$ 0 to US\$ 46 million
- **Long term investment income** – inclusion in forecast for future periods US\$ 0 to US\$ 100 million
- **IFFIm drawdown** US \$ 0m to US \$ 179 million
- **Vaccines** – working capital efficiencies (including UNICEF extension of CTN payment terms) US\$ 0 to US\$ 150 million
- **Cash programmes** - delay 2024/25 disbursements US\$ 0 to US\$ 200 million
- **Operational Excellence** efficiency gains, synergies & implementation costs (tbc)

COVAX

- **Vaccines** – Demand and dose-sharing mix & availability US\$ 0 to US\$ 200million
- **Investment Income** not inc in forecast US\$ 100 to US\$ 496 million

Opportunities of US\$ 100 to US\$ 1,371 million

⁵ ¹VIS 18 launches forecast in Gavi 6.0. Following May 2023 PPC guidance, Alliance considering feasibility to accelerate Hep-B and DTP booster launches as well as HSIS and partner activities which may require some funding in current strategic period

Gavi 6.0 (2026-2030) Projections

Expenditure Estimate 2026-2030 (INDICATIVE)

US\$ million, cash-flow basis

Assured Resources (projected)

Allowance for further Direct Contributions, not yet pledged (formula-driven, based on existing levels)

Qualifying Resources

Forecast Expenditure (continuation and extension of Approved & Endorsed Programmes)

Potential Available for Further Investments

Additional expenditure projection

Illustrative only Gavi 6.0 ambition, focus & scale will be set by Gavi 6.0 Strategy approved by Board in June 2024

Gavi 6.0

Gavi 6.0 2026-2030		
Prior Forecast (v20) Dec 2022 Board	Change upon updating estimates	New Forecast (v20.1) June 2023 Board
478	114	592
8,319	(154)	8,165
8,797	(40)	8,758
\$8.8 bn		\$8.8 bn
8,489	(2,204)	6,285
\$8.5 bn		\$6.3 bn
308	2,165	2,473
\$0.3 bn		\$2.5 bn

US\$ 4.6 bn to US\$ 5.2 bn

UPDATES TO GAVI 6.0

- Qualifying Resources US\$ 8.8 bn
Formula driven calculation in line with Program Funding Policy (PFP) guidelines – base : current contribution levels from existing donors
- Expenditure US\$ 6.3 bn
Continuation & extension of already approved programmes (excludes new country applications under existing programmes, driving reduction vs prior forecast)
- Additional expenditure projection of US\$ 4.6 bn – US\$ 5.2 bn
Subject to future decisions and funding availability



DECISION

AFC recommend Board approve PFP* compliant forecast (allowing continued programme allotment under multi year approvals)

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 future donor contributions or future investment decisions**

Annex

Financial Forecast: Highlights

GAVI Core: 2021-2025

Qualifying resources of US \$ 10.2 bn

- **US\$ 161m decrease**
 - \$179m IFFIm proceeds deferred to 6.0
 - No change to donor commitments

Expenditure of US \$ 10.1 bn

- **US\$ 125m reduction programmatic expenditure**
 - Increase in vaccine procurement US \$151m
 - Lower HSIS US \$268m (rephased to Gavi 6.0)

Items for decision

- **Hexavalent investment case:** US\$ 29 m (Gavi 5.1)
- **Global Virtual Pooled Inventory:** US\$ 10 m (Gavi 5.1)
- **Extend EAF end date** from 2025 to 2027

Remaining for future investments US\$ 109 m

- Decrease of US\$ 75m (from US\$ 184m)

COVAX AMC: 2020-2025

Qualifying resources of US \$ 12.5 bn

- **In line with previous forecast**
- **Excludes US\$ 496 m interest income pending donor alignment**

Expenditure of US \$ 8.9 bn (2020-2023)

- **US \$ 1.0 bn lower due to lower demand and portfolio shifts**

Items for decision

- **Approve COVID-19 programme:** US \$ 711 m funded from pandemic vaccine pool
- **Note CDS re-phasing*:** US \$ 320 m from 2022/23 to 2024/25

Retained funds of US \$ 2.5 bn

- Pandemic vaccine pool¹ (US\$ 2 bn) and dose sharing ancillary (US\$ 0.6 bn)
- AMC donors have discussed use of funds and will continue to review

⁹ ¹Procurement of COVID-19 vaccines, ancillary costs, and delivery costs on AMC Donor approval

* - endorsed by AMC Investors' Group

Gavi Core 5.1: Forecast risks and opportunities

Risks

Resources

- **Future pledges** - foreign exchange fluctuations on unhedged pledges not yet received (representing a 5% movement in rates) US\$ 0 to US\$ 44 million

Expenditures

- **Vaccines** – ambition to achieve higher campaign/ introduction levels than previously achieved (e.g. Measles)/ improved supply (e.g. Cholera) and earlier VIS 18 launches¹ US\$ 0 to US\$ 302 million
- **Hexavalent** – higher demand (above ‘base case’ in forecast) drives increased cost US\$ 0 to US\$ 34 million
- **Vaccines** – to support catch up campaigns / stockpiles
- **Cash programmes** – absorption levels could increase ahead of expectation US\$ 0 to US\$ 200m; additional support for VIS 18 programmes¹

Risks of US\$ 0 to US\$ 580 million

Opportunities

Resources

- **Future pledges** - foreign exchange fluctuations on unhedged pledges not yet received (representing a 5% movement in rates) US\$ 0 to 46 million
- **Long term investment income** – inclusion in forecast for future periods (based on historic averages) US\$ 0 to US\$ 100 million
- **IFFIm drawdown** US \$ 0m to US \$ 179m

Expenditures

- **Vaccines** – further working capital efficiencies (including UNICEF proposal to extend CTN payment terms) US\$ 0 to US\$ 150 million
- **Cash programmes** - delay in 2024/2025 forecast disbursements US\$ 0 to US\$ 200 million
- **Operational Excellence** efficiency gains, synergies & implementation costs (tbc)

Opportunities of US\$ 0 to US\$ 675 million

¹⁰ ¹VIS 18 launches forecast in Gavi 6.0. Following May 2023 PPC guidance, Alliance considering feasibility to accelerate Hep-B and DTP booster launches as well as HSIS and partner activities which may require some funding in current strategic period

COVAX: Forecast risks and opportunities

Risks

Expenditures

- **Vaccines** – Gavi remains ready to respond in the event that there is an increase or resurgence in COVID 19. Gavi has a pandemic vaccine pool to procure new vaccines and a dose sharing ancillary pool to fund devices and shipment to countries for doses shared by donors.

Opportunities

Resources

- **Dose donations** – the mix of procured and dose shared vaccines depends on the availability of doses from donors. If there is an increase of suitable doses (vaccine type/shelf life), then COVAX secures doses at the lowest possible cost
- **Investment income** – COVAX investment income not included in forecast - subject to individual AMC and SFP agreements (forecasted to be US\$ 496 million for 2021-2025 (AMC+SFP)).

Expenditures

- **Vaccines** – See above – subject to demand (impact of end of pandemic) and availability of dose sharing doses US\$ 0 to US\$ 200 million

Opportunities of up to US\$ 696 million

Gavi Core (2021-2025) Forecast

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 \$10.4 bn	(161)	0	10,219 \$10.2 bn
Forecast Expenditure	10,196 \$10.2 bn	(125)	39	10,110 \$10.1 bn
Available for future investments	183 \$0.2 bn	(36)	(39)	109 \$0.1 bn

Decisions for consideration by the Board
(US\$m)

Hexavalent Investment Case	29
Global Virtual Pooled Inventory (Ebola, Marburg)	10

Decision amount

Note: m = millions; bn = billions

UPDATES TO FORECAST

- Qualifying Resources US\$ 10.2 bn (US\$ 161m lower (remaining IFFIm resources to be drawn down as required), partly offset by higher investment income)
- Forecast Expenditure US\$ 10.1 bn (US\$ 125m lower, with increased vaccine costs \$151m offset by lower HSIS \$275m)
- New Investments US\$ 39 m (Hexavalent investment case and Global Virtual Pooled Inventory)

US\$ 109 m available for future investments

Sufficient financial flexibility

COVAX AMC and COVID-19 Forecast

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 COVID-19 Programme	8,789	(1,001)	7,788	-	-	7,788
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	Board Meeting, 26-27 June 2023	\$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

Decisions for consideration by the board:
(US\$m)

	Board Decisions	
	Approve COVID-19 Programme in 2024-25	\$711m
	Note Rephased CDS Disbursement into 2024-25	\$320m (timing only)

In-Kind Resources (Dose Sharing US\$m) 7,634 (1,246) 6,388 - 280 6,668

Note: m = millions; bn = billions

Note: COVAX AMC Programme started at the end of 2020, of which total 2020 Resources and Expenditure are included here

UPDATES TO FORECAST

- Lower expenditure through 2023 US\$ 1.0 bn
- CDS re-phased across 2024/25 US\$ 0.3 bn
- COVID-19 programme 2024/25 US\$ 0.7 bn



- US\$ 2.0 bn available in the Pandemic Vaccine Pool (PVP)
- US\$ 0.6 bn dose sharing ancillary funds

Gavi 6.0 (2026-2030) Projections

Expenditure Estimate 2026-2030 (INDICATIVE)

US\$ million, cash-flow basis

Assured Resources (projected)
Allowance for further Direct Contributions, not yet pledged (formula-driven, based on existing levels)
Qualifying Resources

Forecast Expenditure (continuation and extension of Approved & Endorsed Programmes)

Potential Available for Further Investments

Gavi 6.0 2026-2030		
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8,797	(40)	8,758
\$8.8 bn		\$8.8 bn
8,489	(2,204)	6,285
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308	2,165	2,473
\$0.3 bn		\$2.5 bn

Included in Forecast Expenditure (as above), for Board Approval	6,285
Vaccines	3,024
Cash-based programmes	1,372
PEF	1,142
OpEx	748
Additional expenditure, not included in Forecast Expenditure (illustrative only)	4,618 - 5,239
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

Illustrative only
Gavi 6.0 ambition, focus & scale will be set by Gavi 6.0 Strategy approved by Board in June 2024

UPDATES TO GAVI 6.0

- Qualifying Resources US\$ 8.8 bn
Formula driven calculation in line with Program Funding Policy (PFP) guidelines – base : current contribution levels from existing donors
- Expenditure US\$ 6.3 bn
Continuation & extension of already approved programmes (excludes new country applications under existing programmes, driving reduction vs prior forecast)
- Additional expenditure projection of US\$ 4.6 bn – US\$ 5.2 bn
Subject to future decisions and funding availability



DECISION

AFC recommend Board approve PFP* compliant forecast (allowing continued programme allotment under multi year approvals)

PPC decision items

PPC Decision Item	Forecast Impact (2021-2025)	Gavi 6.0 impact (2026-2030)	Key Observations
EAF 5.0 Extension \$200m into 2026/27	US\$ 200m reduction	US\$ 200m increase	<ul style="list-style-type: none"> US\$ 60 m reduction in previous forecast additional US\$ 140m reduction reflected in updated forecast
Note CDS Extension \$320m into 2024/25	\$320m rephased 20/23 to 24/25	n/a	<ul style="list-style-type: none"> No cost extension supported by the AMC Investors Group will extend implementation period of the current delivery funds until end 2025
C-19 Routine Programme 24/25	\$711m	n/a	<ul style="list-style-type: none"> To be funded from the Pandemic Vaccine Pool contingent on sufficient funding confirmed by Board in June 2023
Hexavalent Programme	\$29m (\$0-62m)	\$357-\$430m	<ul style="list-style-type: none"> Gavi 5.1 point forecast includes \$29m base demand scenario additional cost (to \$62m) for higher demand reported as a risk. Programme costs will be revised as demand crystallises. Gavi 6.0 approval contingent on Gavi 6.0 funding availability
VIS 18 unpausing (4 vaccines Hep B, DTP, Rabies, RSV)	\$0m (earliest launch assumed 2026)	\$108m	<ul style="list-style-type: none"> Based on PPC guidance, further review required of sequencing and potential launches in Gavi 5.1 and related Secretariat and partner resources Recognised as risk in current forecast Gavi 6.0 approval contingent on Gavi 6.0 funding availability
VIS 24 – no financial impact as high level decision only	n/a	n/a	Will be reflected in future
Pandemic Prevention, Preparedness and Response	Up to \$10m	n/a	<ul style="list-style-type: none"> Amount reflected in Gavi 5.1 Core forecast noting that if AMC donors approve the use of the PVP funds for this purpose then the funding source would be updated on revision of the relevant donor agreements

Glossary of key terms

Key Terms	Definition
C-19	Covid-19
Campaign Op Costs	Funding to support vaccination campaigns. Also called Operational Costs/Op Costs
Campaigns	Vaccination programmes(eg catch up of missed children) reaching beyond routine immunisation programmes
CCEOP	Cold chain equipment optimisation platform. Initiative to improve temperature control in the vaccine cold chain
CDS	Covid-19 Delivery Support to fund C-19 immunisation programmes
CDS Core	Initial Covid Delivery Support funding (\$150m) provided through Gavi 5.0 resources
Co-Financing	Implement countries share of costs of vaccines supplied through Gavi
DTP3	Diphtheria - tetanus -pertussis 3rd dose used by Alliance to measure the strength of national immunisation programmes.
EAF	Equity Accelerator Fund. Programme to improve equity by reaching zero-dose and underimmunised children.
FMRA	Fiduciary Management and Risk Assurance. Systematic approach to financial management of cash grants, in particular cash grants direct to country.
FS	Foundational Support (PEF). Long term funding to core partners (WHO, UNICEF, IBRD) for global and regional activities to support key programmatic areas.
Gavi Core	Term used to refer to Gavi 5.1 strategic activities excluding COVAX
HPV	Human Papillomavirus Vaccine
HSIS	Health System and Immunisation Strengthening
HSS	Health System Strengthening
IFFIm	International Finance Facility for Immunisation. Independent body established to secure funding for Gavi's immunisation programmes.
IPV	Inactivated Polio Vaccine
MICs	Middle Income Countries. Programme to prevent and mitigate backsliding and strengthen immunisation programmes in Middle Income Countries
MR	Measles Rubella vaccine
PEF	Partners Engagement Framework - Mechanism through which Gavi funds assistance through core and extended partners
Penta	Pentavalent vaccine (protecting against diphtheria, tetanus, pertussis (whooping cough), hepatitis B and Haemophilus influenzae type b)
Pii	Partnerships in Innovation with private sector to leverage latest innovations to tackle key coverage and equity bottlenecks
Pneumo	Pneumococcal conjugate vaccine. Also known as PCV.
PVP	Pandemic Vaccine Pool. Pooled vaccine inventory to ensure faster outbreak response.
Rota	Rotavirus vaccine
SFA	Strategic Focus Areas (PEF). Time-limited investments to support transformation beyond business as usual activities to address persisting inequalities.
TCA	Targeted Country Assistance (PEF). Non-Financial technical support provided by specialists to countries.
v20 Forecast	Gavi Financial Forecast approved by the Board in December 2022
v20.1 Forecast	Gavi Financial Forecast presented for approval at the June 2023 Board
VIGs	Vaccine Introduction Grants. Funding to facilitate implementation of critical activities ahead of new vaccine introductions.
VIS	Vaccine Implementation Strategy. Gavi's prioritisation approach for new immunisation investments to inform next strategic cycle.