

FINANCIAL FORECAST & PROGRAMME FUNDING ENVELOPES

BOARD MEETING

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7-8 December 2016, Abidjan, Côte d'Ivoire

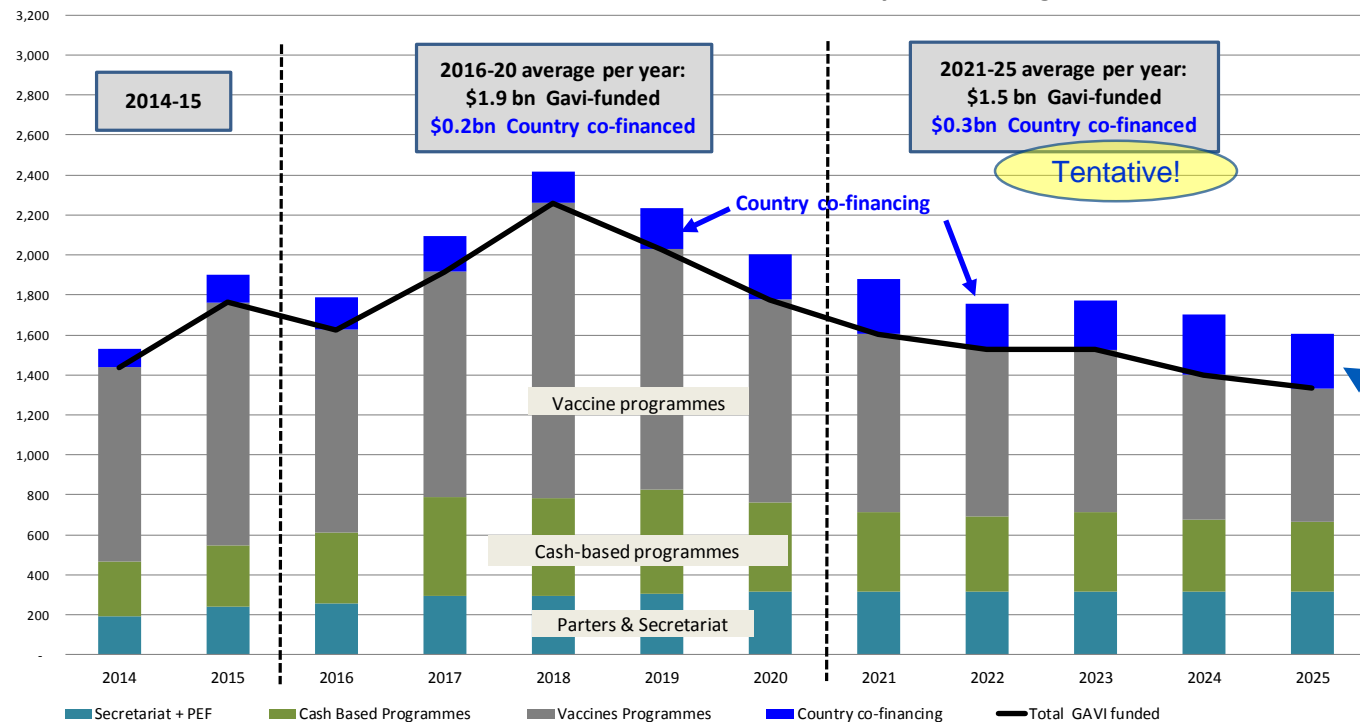


1

Financial Forecast

EVOLUTION OF EXPENDITURE

Expenditure Estimates 2016 - 2025 (US\$ millions)
Gavi cash outflows & Country Co-Financing

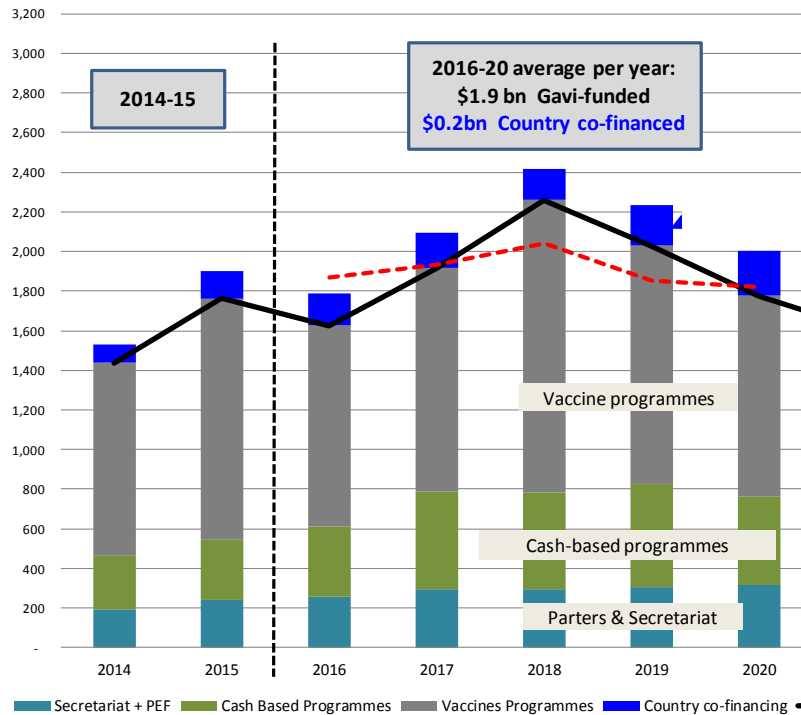


Expenditure will peak during 2016-20 ... as countries transition

Co-financing is increasing

EVOLUTION OF EXPENDITURE

Expenditure Estimates 2016 - 2025 (US\$ millions)
Gavi cash outflows & Country Co-Financing



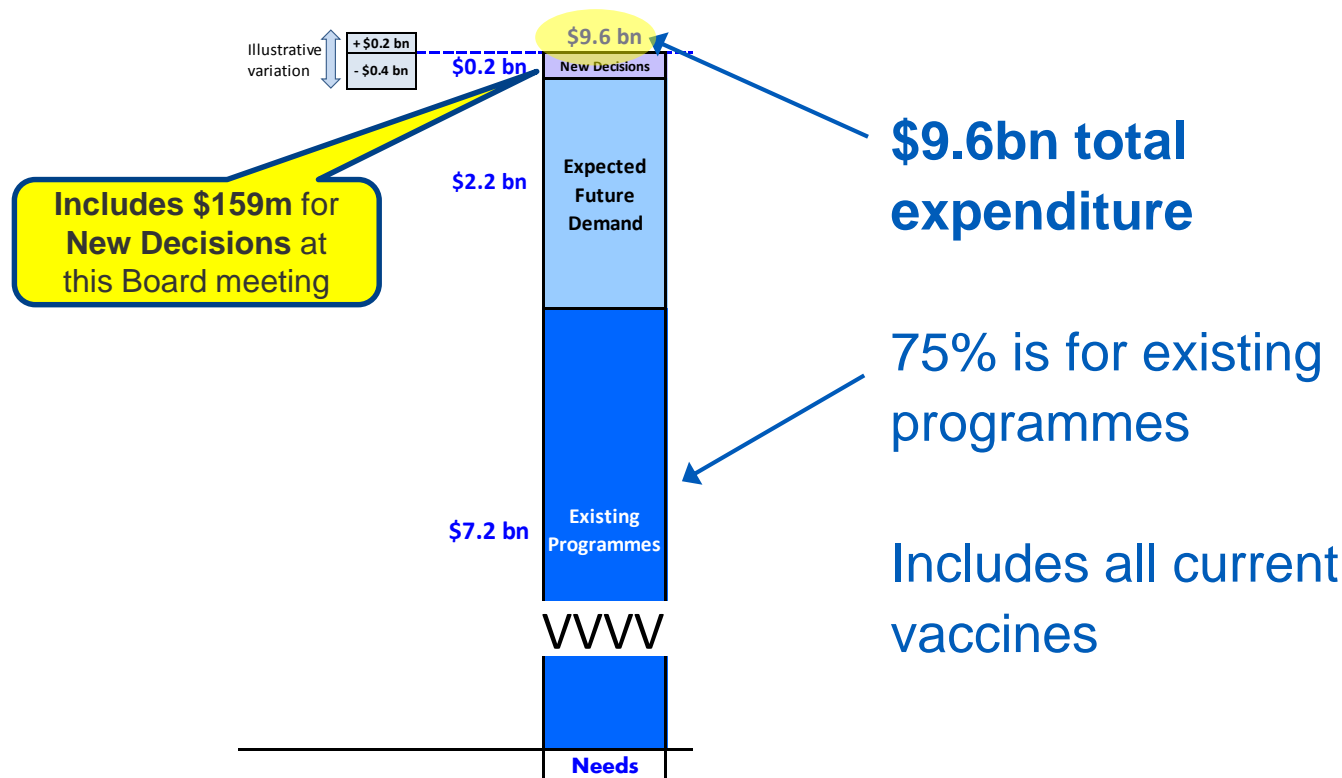
Expenditure 2016-20

--- **\$9.5bn per last forecast (Dec 2015)**

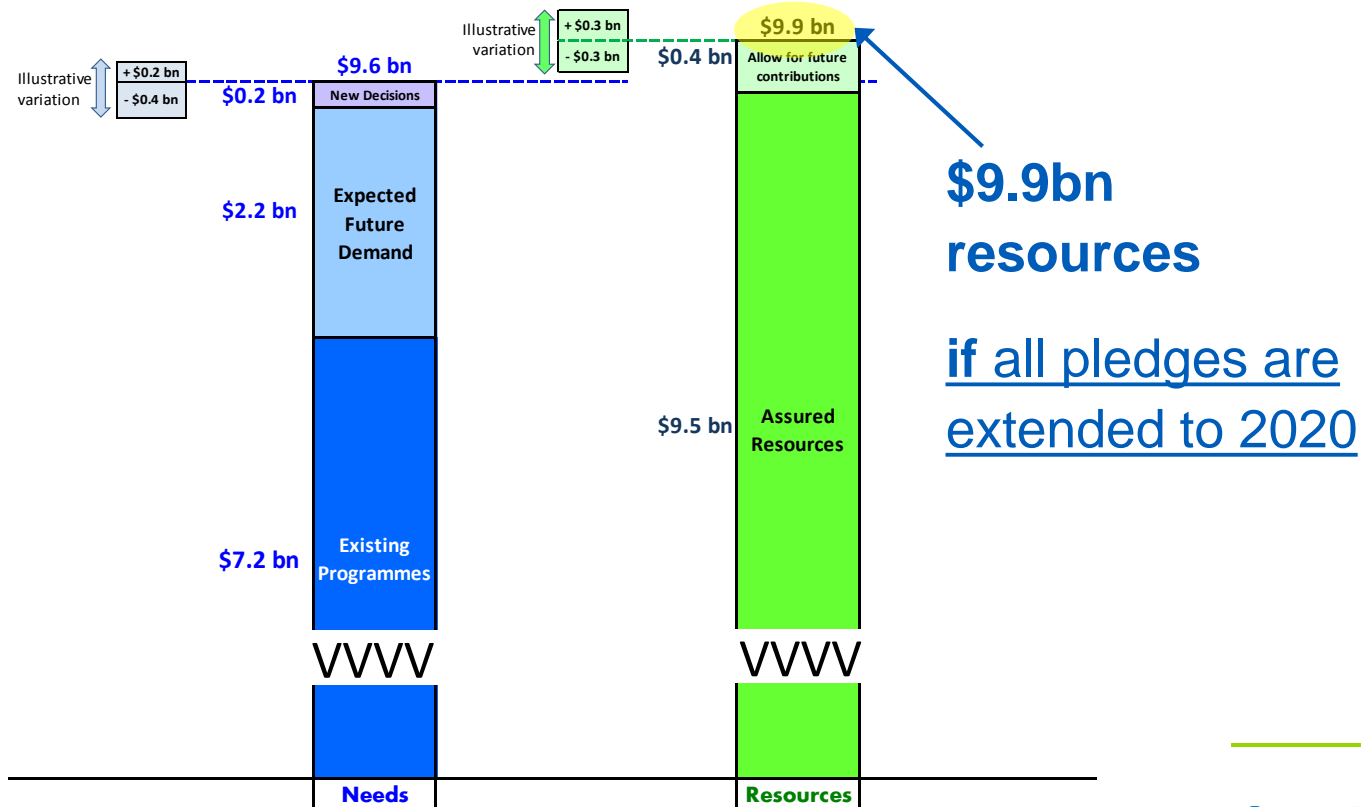
- \$187m {
- \$458m Penta
+ \$180m HPV & Yellow Fever
+ \$91m Other vaccines
+ \$133m HSIS (mainly campaign costs)
+ \$150m CCEOP

— **\$9.6bn per this forecast (Dec 2016)**

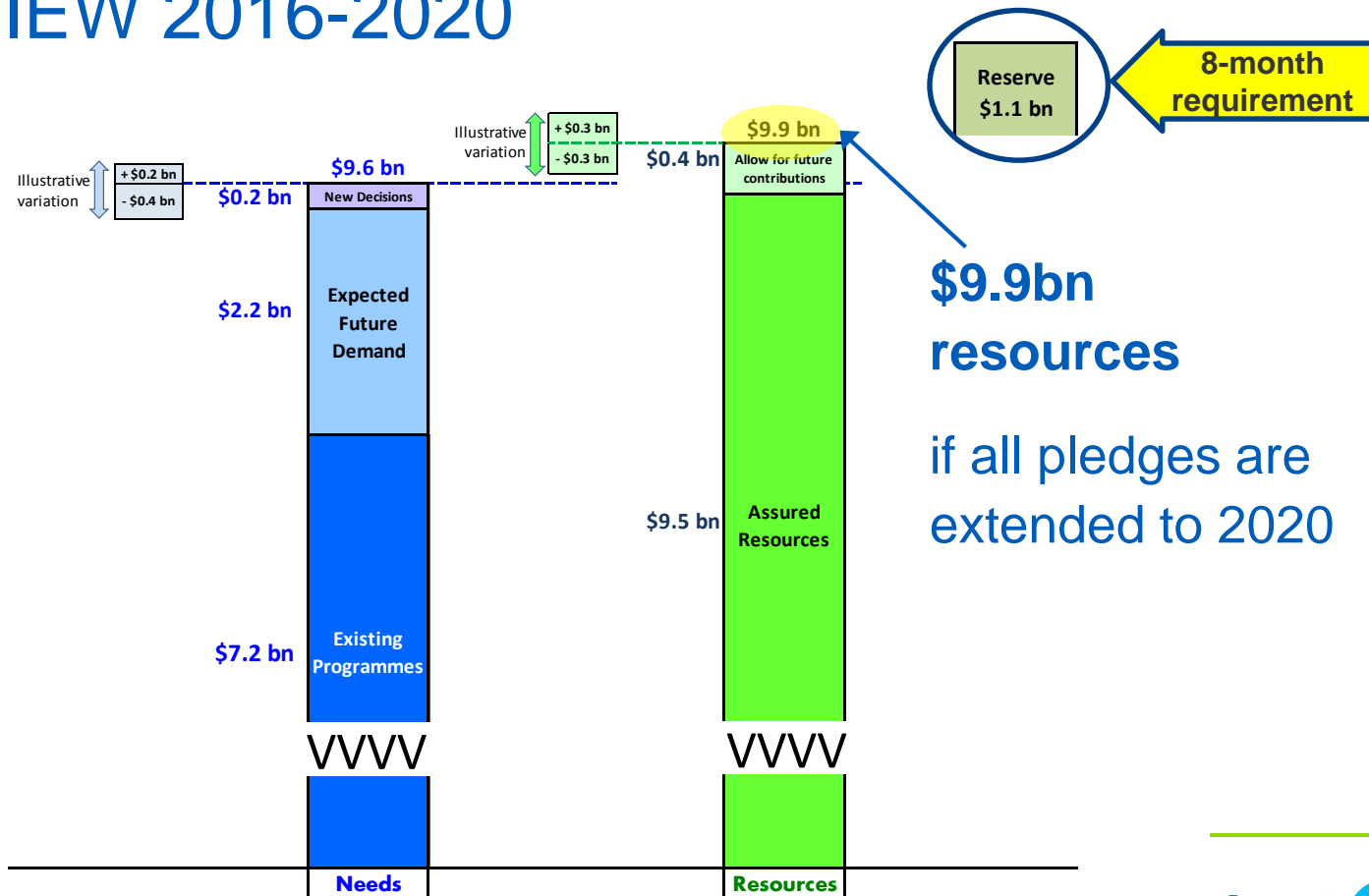
OVERVIEW 2016-2020: EXPENDITURE



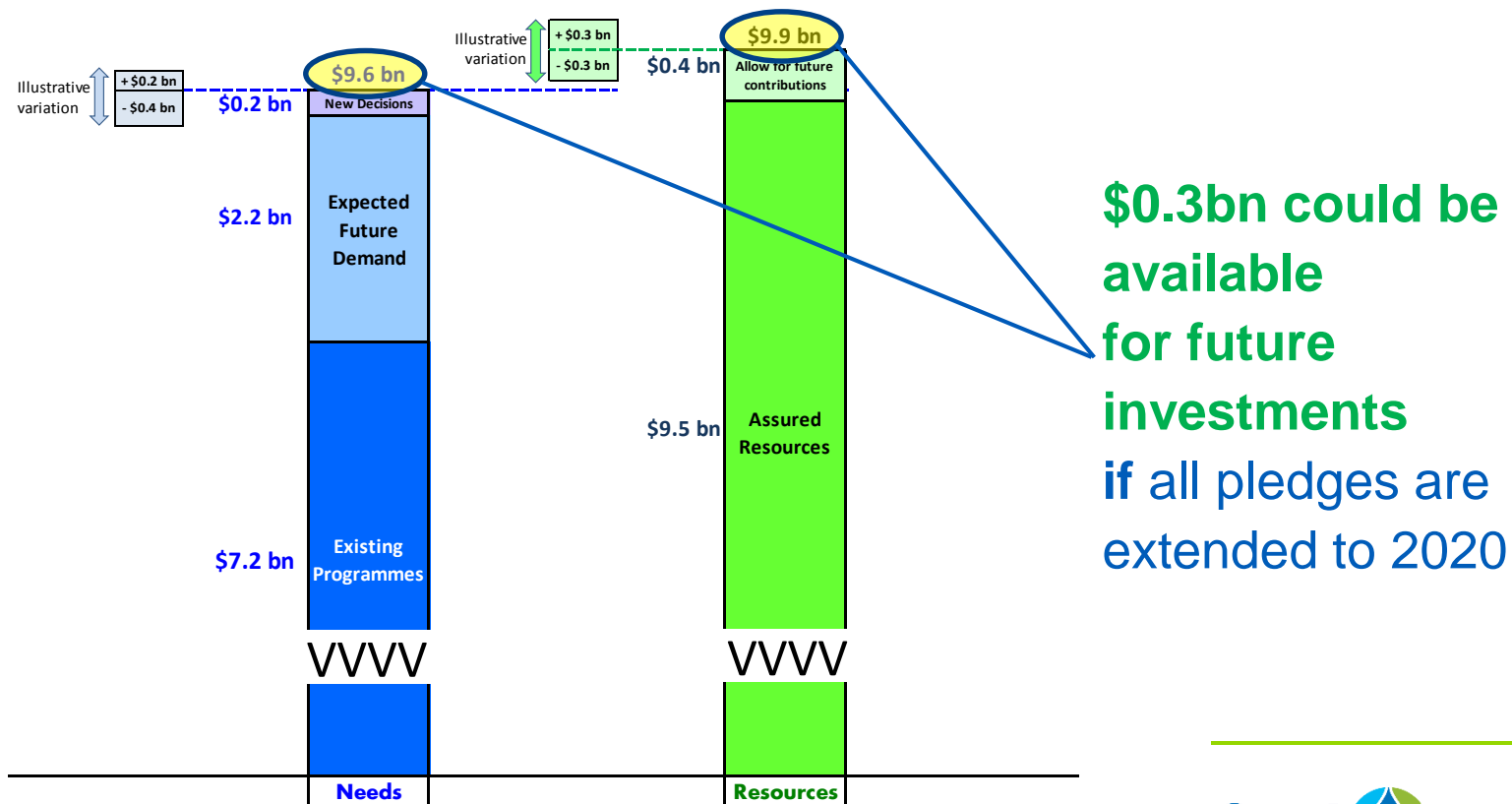
OVERVIEW 2016-2020: RESOURCES



OVERVIEW 2016-2020



OVERVIEW 2016-2020



DECISIONS FOR CONSIDERATION AT THIS BOARD MEETING - FINANCIAL IMPACT

US\$ million		Decision amount	Per Table 1
(a) Programme funding requests <i>Investment return: Direct Health impact</i>	IRC recommendations	70	Funding decisions
(b) HPV multi-cohort strategy <i>Investment return: Direct Health impact</i>	PPC recommendation	72	
(c) Stockpiles (Cholera & MenA) <i>Investment return: Epidemic preparedness</i>	PPC recommendation	86	
<u>Envelopes from which the Secretariat can allot funding</u>			
(d) Programme Funding Envelope for 2017	Per current policy	1,042	
	Per policy amendment	283	
	AFC recommendation	1,326	
(e) CCEOP Funding Envelope for allotments in 2016-2017	2016-2020	180	
	2021-22	70	
	PPC recommendation	250	

Note: Yellow Fever
In addition to these decisions, **provision of \$150m** is included in the forecast for the expected additional **supply availability of YF vaccine**.

DECISIONS FOR CONSIDERATION

- FINANCIAL IMPACT

US\$ million		Decision amount	Already in Forecast	Addition to Forecast	Document #
(a)	Programme funding requests <i>Investment return: Direct Health impact</i>	IRC recommendations	70	0	02g
(b)	HPV multi-cohort strategy <i>Investment return: Direct Health impact</i>	PPC recommendation	0	72	12
(c)	Stockpiles (Cholera & MenA) <i>Investment return: Epidemic preparedness</i>	PPC recommendation	0	86	13
				159	

Per Table 1

The decisions add \$159m to forecast expenditure

Envelopes from which the Secretariat can allot funding

(d)	Programme Funding Envelope for 2017	Per current policy	1,042	1,326	0	This paper
		Per policy amendment	283			
	AFC recommendation		1,326			
(e)	CCEOP Funding Envelope for allotments in 2016-2017	2016-2020	180	250	0	This paper
		2021-22	70			
	PPC recommendation		250			

POTENTIALLY \$307m COULD BE AVAILABLE AFTER FORESEEN NEEDS & THE DECISIONS

2016-2020

Per Table 1

US\$ million		Post Berlin Meeting Jan 2015 (incl IPV)	Last Forecast Dec 2015 Board	Decisions already made this year	Change upon updating estimates	Impact of decisions for consideration in Dec 2016	New Forecast Dec 2016 Board
A	Qualifying Resources	10,261 \$10.3 bn	9,850 \$9.9 bn		64		9,914 \$9.9 bn
B	Forecast Expenditure	9,809 \$9.8 bn	9,518 \$9.5 bn	103	(173)	159	9,606 \$9.6 bn
A-B	Available for future investments	452 \$0.5 bn	332 \$0.3 bn	(103)	236	(159)	307 \$0.3 bn

Decisions for consideration at December 2016 Board meeting add \$159m

Depends on
pledge extension
to 2020

2

- CURRENT YEAR
 - BUDGET MANAGMENT
 - RATIOS
-

2016 EXPENDITURE & RESOURCES

US\$ billions

	2016	Q3 of 2016			2016
	Prior Forecast Dec 2015 Board	Actual through Q3 2016	% of whole-year forecast	Change	New Forecast Dec 2016 Board
Vaccine Programmes	1.1	0.6	55%	(0.13)	1.0
Cash-based Programmes	0.5	0.2	45%	(0.10)	0.35
Programmes	1.6	0.8	52%		1.4
Secretariat & Partners	0.3	0.2	75%	(0.01)	0.26
Total Expenditure	1.9	1.0	55%	(0.24)	1.6
Direct contributions	1.6	1.2	77%	(0.06)	1.5
IFFIm & AMC proceeds	0.2	0.1	54%	0.15	0.35
Investment income & other	0.04	0.07	197%	0.00	0.04
Total Resources	1.8	1.4	77%	0.09	1.9

2016 & 2017 – BUDGET

US\$ million	2016 Budget	2016 Forecast		2017 Budget	2017 Forecast		2016- 2017 Budget	2016- 2017 Forecast
Programmes	1,597	1,363		1,646	1,615		3,243	2,978
Partner Engagement Framework								
Targeted Country Assistance	64.5	57.2		69.5	65.0		134.0	122.2
Investments in Strategic Focus Areas	26.0	22.2		29.0	29.0		55.0	51.2
Procurement fees (Vaccine & Cold Chain)	22.9	22.0		22.9	22.9		45.8	44.9
Foundational Support to partners	36.4	36.4		36.4	36.4		72.8	72.8
Evaluations & assessments	18.9	17.2		20.4	20.4		39.3	37.6
AMC fees	0.6	0.6		0.5	5.0		1.1	5.6
Operational Partnerships	-	5.0		-	5.0		-	10.0
Partner Engagement (PEF)	169	161	+	179	184	=	348	344
Secretariat								
Programme support (staff, travel, etc.)	58.4	53.7		63.5	63.0		121.9	116.7
Management, general & fundraising	44.0	44.0		44.8	45.3		88.8	89.3
IFFIm & Gavi campaign*	4.0	3.5		3.0	3.0		7.0	6.5
Secretariat	106	101	+	111	111	=	218	213
Total Expenditure	1,873	1,625		1,936	1,910		3,809	3,535

Per Appendix 3,
page 3

2-year budget can
absorb:

← AMC fee gap

← Operational Partnerships

2016 & 2017 – RATIOS

Per Appendix 3,
page 3

US\$ million

2016-
2017
Forecast

Programmes

2,978

Partner Engagement Framework
Targeted Country Assistance
Investments in Strategic Focus Areas
Procurement fees (Vaccine & Cold Chain)
Foundational Support to partners

122.2

51.2

44.9

72.8

-

Evaluations & assessments

37.6

AMC fees

5.6

Operational Partnerships

10.0

Partner Engagement (PEF)

344

Secretariat

Programme support (staff, travel, etc.)

116.7

Management, general & fundraising

89.3

IFFIm & Gavi campaign

6.5

Secretariat

213

Total Expenditure

3,535

Total Operating Expenses

256

Operating Expense Ratio

7.2%

OpEx ratio

Total Overhead

96

Overhead Ratio

2.7%

Overhead ratio

Additional ratio:
Operating Expenses -
for better comparability

OpEx Ratio 7.2% (new)
Overhead Ratio 2.7%

FOR DECISION UNDER THIS AGENDA ITEM

No overall budget increase

Seeking to manage 2016 & 2017 as a 2-year budget, so that:

- Annual budgets can be combined for each component of the budget
- Secretariat budget for operating expenses can enable capital expenditure and Operational Partnerships

Establishment of Programme Funding Envelopes

- **General Envelope** (as in prior years)
- **New Envelope for CCEOP programmes** (contingent on CCEOP decision)

PROPOSED DECISION: FINANCIAL FORECAST AND PROGRAMME FUNDING ENVELOPES (1/5)

The Gavi Alliance Board:

2016-2017 budget for the Partners Engagement Framework & Secretariat

- a) **Agreed** that the budgetary amounts approved by the Board in Decision 12 of the Board Meeting of 2-3 December 2015 for each component of the Gavi Engagement Framework and Budget for Partners and Secretariat for 2016 and separately for 2017, be treated as an overall Budget amount for each component which may be utilised over both years.
- b) **Agreed** that capital expenditure of the Secretariat in excess of the capital expenditure budget can be incurred within the overall amount of the Secretariat Engagement Framework and Capital Expenditure budgets for both years.

PROPOSED DECISION: FINANCIAL FORECAST AND PROGRAMME FUNDING ENVELOPES (2/5)

- c) **Agreed** that expenditure on Operational Partnerships, which are a new initiative for which no provision was made in the aforementioned Budget for 2016 and 2017 can be incurred within the overall amount of the Secretariat/Partners' Engagement Framework budgets for both years.

PROPOSED DECISION: FINANCIAL FORECAST AND PROGRAMME FUNDING ENVELOPES (3/5)

The Gavi Alliance Board:

2017 General Programme Funding Envelope for “unrestricted” countries

- a) **Approved** a 2017 Programme Funding Envelope for unrestricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2017, to endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new ~~cash~~ programmes for an aggregate amount not exceeding US\$ 1,306 million.

(These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)

PROPOSED DECISION: FINANCIAL FORECAST AND PROGRAMME FUNDING ENVELOPES (4/5)

Cold Chain Equipment Optimisation Platform Funding Envelope

- b) **Approved**, subject to the Board approving the recommendations with respect to the CCEOP (Doc 07b), a CCEOP Funding Envelope for unrestricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2017, to endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new CCEOP programmes for an aggregate amount not exceeding US\$ 250 million.

(These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)

PROPOSED DECISION: FINANCIAL FORECAST AND PROGRAMME FUNDING ENVELOPES (5/5)

The Gavi Alliance Board in session without the participation of US citizens and residents:

2017 General Programme Funding Envelope for “restricted” countries

Approved a 2017 Programme Funding Envelope for restricted countries from which the Secretariat, under the Programme Funding Policy, shall allot funding to programmes until 31 December 2017, to Endorse or adjust previously endorsed amounts of programme multi-year budgets for existing programmes and new ~~cash~~ programmes for an aggregate amount not exceeding US\$ 20 million.

(These endorsements would constitute acknowledgement of such budget amounts at the time of allotment but would not constitute a funding approval, decision, obligation or commitment of the GAVI Alliance or its contributors.)

Thank you

