

Annex C: Gavi 5.1 operationalisation and financial considerations

This Annex gives a high-level overview of the approach to operationalising the key shifts in Gavi 5.1. It also includes an overview of the financial implications, in line with financial forecast v20 (see Doc 04). More details on the operationalisation and financial implications of the HPV programme relaunch, the COVID-19 programme for 2024-2025 and regional manufacturing diversification can be found in Docs 07, 08 and 10.

Operationalising Gavi 5.1

- **Implementing the Gavi 5.1 priorities will require acceleration and some adjustments to Gavi's funding levers.** The Alliance will continue to reprogramme ongoing funding to countries, accelerate the Full Portfolio Planning (FPP) and Equity Accelerator Funding (EAF) applications to prevent further backsliding of routine immunisation, catch up missed children and accelerate the zero-dose agenda (see Doc 02). If approved by the Board, plans for the relaunch of HPV will be included when appropriate as a priority. To enable the timely relaunch of the HPV programme, the Secretariat will work with countries to reallocate funding within ongoing HSS grants or approve new funding where required (see Doc 07). This approach, coupled with concerted efforts across the Alliance in support to countries, represents the most rapid opportunity for countries to incorporate support to HPV into their HSS grants. The Secretariat will closely monitor the additional investments in the HPV relaunch and if needed go back to the PPC and the Board to ensure the programme is appropriately funded. The Secretariat will continue to monitor the use of the COVID-19 vaccine Delivery Support (CDS) and explore how CDS could further support routine immunisation, building on the pivot initiated with the focus of the recently launched CDS3¹ (see Doc 09). Pending the final Board decision in June 2023, Gavi will operationalise the HSIS support for the COVID-19 programme and implement the scale up of information systems in the context of Gavi's expanded role in PPR (see Annex B).
- **The modalities of PEF support will be adjusted to allow effective operationalisation of Technical Assistance (TA) required in Gavi 5.1.** Pending Board approval of the HPV relaunch, the PEF funding will be rapidly allocated through Targeted Country Assistance (TCA), Foundational Support (FS), and Strategic Focus Areas (SFAs). These resources will be pivotal to deliver on strategic shift 3 of the HPV relaunch programme (i.e. "Enhancing technical assistance through PEF, TCA, and FS"), and complement the current TA support at global, country, and sub-national levels. Additional PEF funding will be made available for the COVID-19 immunisation programme in 2024 and 2025 pending final Board approval of the programme in June 2023. The

¹ CDS is increasingly being focused on integrating COVID-19 vaccination into RI, the new CDS3 envelope launched in July (total USD 748 million) prioritises such investments into COVID-19 integration (see doc 7)

Alliance will continue to accelerate context-appropriate partnerships, with a focus on local partners and fragile and conflict settings. As part of this effort, the Secretariat is adapting its ways of working to enhance its ability to work with local civil society organisations (CSO) given that the CSO strategy commits at least 10% of combined HSS, EAF and PEF TCA funds to CSO partners.

- **The Secretariat is in the process of updating its structures, processes, and ways of working, which will facilitate the delivery of Gavi 5.1 priorities.** To that end, the Secretariat has recently embarked on an ambitious journey towards operational excellence. This includes the integration of relevant COVAX functions and teams into the core Gavi Secretariat, which will enable the operationalisation of Gavi's expanded contribution to PPR as well as the COVID-19 programme for 2024-2025. The Secretariat has also embarked on the EVOLVE project, through which it will re-engineer and streamline Gavi's cross-functional portfolio management processes, create an integrated programmatic and financial data repository, and translate this into a technology-enabled platform over the coming years.
- **A priority for the Alliance PPR work will be to coordinate the review of lessons from the COVID-19 pandemic, and as needed, redesign, critical capabilities** necessary for a better response to the next pandemic. This will include organisational and process capabilities to ensure earlier access to vaccines, earlier and stronger support for vaccine delivery, and clearer processes and more rapid, flexible decision-making. Finally, Gavi will further delineate the changes required to support the regional manufacturing agenda, including what a new financial instrument to incentivise manufacturers and investors in Africa could look like (see Doc 08).

Financial implications of Gavi 5.1

- **As presented in the financial forecast (see doc 4), qualifying Gavi core resources for the entire 2021-25 strategic period are US\$ 10.4 billion.** Gavi's largest investments in 2021-25 will remain vaccine programmes (US\$ 5,340 million), and the enabling support through HSIS (US\$ 2,439 million). In addition to already planned investments of US\$ 444 million for HPV programme, the forecast includes the estimated costs of the HPV relaunch of US\$ 167 million for 2023-2025² (see Doc 07). The HPV relaunch costs are partially offset by lower forecasted costs associated with move from 2-dose to 1-dose schedule in some countries. For support to regional manufacturing diversification in Gavi 5.1, limited financial implications are expected through routine market-shaping work³. In addition, a new

² Covering vaccines (US\$ 69 million), HSIS (US\$ 49 million), PEF (US\$ 45 million) and Secretariat costs (US\$ 4 million). The additional costs are partially offset by lower forecasted costs associated with move from 2-dose to 1-dose schedule in some countries

³ Additional Secretariat resources would be covered within the current budget leveraging the flexibility provided for Gavi 5.1 operating costs

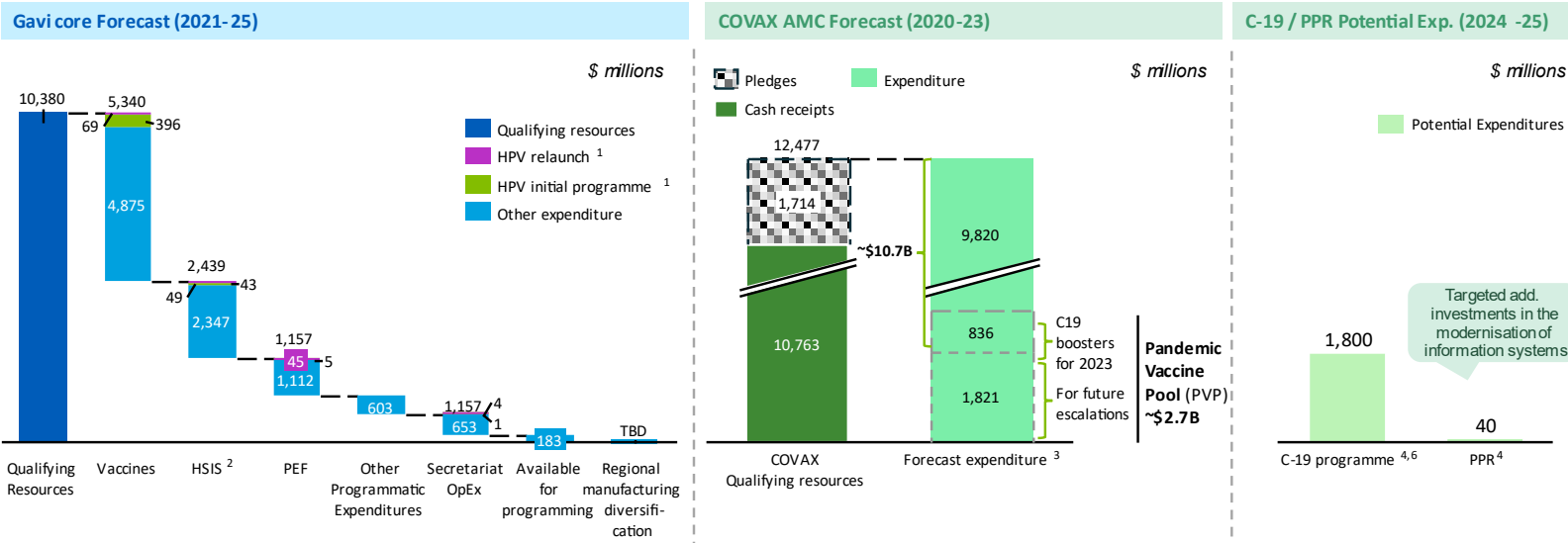
mechanism to support regional manufacturing in Africa is being scoped (see Doc 08) that could require funding outside of Gavi core/COVAX envelopes. The resources available for future investments in the Gavi core budget for 2023-2025 are US\$ 183 million.

- **As described in Doc 04, the updated Financial Forecast for COVAX AMC forecasts Qualifying Resources of US\$ 12.5 billion** for 2020-2023, while Forecast Expenditure stands at US\$ 10.7 billion. The forecasted expenditures include US\$ 2.7 billion for the Pandemic Vaccine Pool (PVP), with US\$ 0.8 billion anticipated to be used in 2023 to cover countries' demand including for COVID-19 boosters, subject to AMC Investors Group approval. Therefore, US\$ 1.8 billion is anticipated to be available to respond to potential future escalations in the pandemic.
- **Looking ahead to Gavi 5.1 for 2024 onwards, one scenario for potential future use of the PVP could be to fund a future COVID-19 programme beyond the current response through COVAX** (see Doc 10). Such a scenario would require approval from COVAX donors. The potential estimated expenditure for the COVID-19 programme is approximately US\$ 1.8 billion⁴. As part of Gavi 5.1, the Alliance is considering **targeted additional investments into resilient routine immunisation programmes for stronger PPR** in 2024-2025, which are estimated to cost US\$ 40 million (see Annex B). Availability of funding for these proposals including from the PVP would need to be confirmed by the AFC and Board in June 2023 in light of more evidence and discussion with stakeholders.

⁴ Included in narrative for COVAX forecast. Covering vaccines (~US\$ 1.5 billion), HSIS (US\$ 0.22 billion), PEF (US\$ 47 million) and Secretariat costs (part of US\$ 60 million provision for pandemic related Gavi 5.1 priorities). Currently includes AMC91 economies, excluding India.

Financial implications of Gavi 5.1

As per AFC financial forecast v20



1. HPV initial programme refers to costs from the original HPV programme and HPV relaunch shows additional costs of the relaunch. Amounts shown for HSS and PEF are not including cost of the HPV initial programme
 2. HSIS includes HSS, Equity Accelerator Funding (EAF), Vaccine Introduction Grants (VIGs), Campaign Operational costs, CCEOP and other cash-based programmes
 3. Forecast expenditure quoted are through to end of 2023, and includes manufacturer renegotiation upside and 2023 variant-containing vaccine boosters;
 4. C-19 programme and PPR are only included in narrative of COVAX AFC forecast;
 5. Estimated 2024-25 cost for the C-19 vaccine programme for AMC 91 economies, excluding India (subject to change) is ~US\$ 1.8 billion covers vaccine procurement (US\$ 1.5 billion), delivery support through HSIS (US\$ 0.2 billion), PEF Technical Assistance (US\$ 47 million), and Operational Costs (US\$ 60 million)