

# FINANCIAL UPDATE

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BOARD MEETING

Barry Greene

22-23 June 2016, Geneva



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# Financial Update

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- Update on 2015 and Quarter 1 of 2016
- Overview of 2011-2015
- Outlook for 2016-2020 ... including implications of decisions for Board consideration at this meeting

# Update on 2015

US\$ billions

2015 whole year		
Projected for year	Actual	% of Projection for year

Vaccine Programmes	1.2	1.2	99%
Cash-based Programmes	0.51	0.33	65%
<b>Programmes</b>	1.7	1.5	<b>89%</b>
<b>Secretariat &amp; Partners</b>	0.26	0.24	<b>93%</b>
<b>Total Expenditure</b>	<b>2.0</b>	<b>1.8</b>	<b>90%</b>
<b>Resources</b>	<b>1.4</b>	<b>1.5</b>	<b>108%</b>

Programme expenditure was  
**89%** of initial projection  
... relates mainly to Ebola

Resource inflows were  
**8% above** the initial projection  
... completion of pledges

# Update on 2015 and Quarter 1 of 2016

US\$ billions	2015 whole year			2016		Q 1 of 2016	
	Projected for year	Actual	% of Projection for year	Projected for year	Actual Q1 2016	% of Projection for year	Q1 <u>2015</u>
Vaccine Programmes	1.2	1.2	99%	1.1	0.3	25%	30%
Cash-based Programmes	0.51	0.33	65%	0.5	0.1	18%	7%
<b>Programmes</b>	1.7	1.5	<b>89%</b>	1.6	0.4	<b>23%</b>	<b>23%</b>
<b>Secretariat &amp; Partners</b>	0.26	0.24	<b>93%</b>	0.27	0.06	<b>22%</b>	<b>50%</b>
<b>Total Expenditure</b>	<b>2.0</b>	<b>1.8</b>	<b>90%</b>	<b>1.9</b>	<b>0.4</b>	<b>23%</b>	<b>27%</b>
<b>Resources</b>	<b>1.4</b>	<b>1.5</b>	<b>108%</b>	<b>1.8</b>	<b>0.2</b>	<b>13%</b>	<b>6%</b>

In Q1 of 2016 ...

Programme expenditure rate was **in line** with 2015

Resource inflow rate was **higher** than in 2015

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# 2011-2015

Evolution of forecast since  
London Pledging Conference

# Overview of 2011-2015

US\$ million

	July 2011 after London Pledging	Change	December 2015 Actual
A <b>Qualifying Resources</b>	7,599 \$7.6 bn	(296) (\$0.3 bn)	7,303 \$7.3 bn
B <b>Forecast Expenditure</b>	6,832 \$6.83 bn	23 \$0.0 bn	6,855 \$6.86 bn
A-B <b>Available for future investments</b>	767 \$0.8 bn	(319) (\$0.3 bn)	448 \$0.4 bn

**Forecast to Board in July 2011**

# Overview of 2011-2015 ... Expenditure

US\$ million

A	<b>Qualifying Resources</b>
B	<b>Forecast Expenditure</b>
A-B	<b>Available for future investments</b>

July 2011 after London Pledging	Change	December 2015 Actual
7,599 \$7.6 bn	(296) (\$0.3 bn)	7,303 \$7.3 bn
6,832 \$6.83 bn	23 \$0.0 bn	6,855 \$6.86 bn
767 \$0.8 bn	(319) (\$0.3 bn)	448 \$0.4 bn

**Expenditure \$6.9bn : unchanged overall**

+0.1 IPV (\$101m)  
 +0.1 Measles SIA, Cholera, etc.  
 +0.2 Business Plan

\$0.4bn increase

(0.2) Pneumococcal  
 (0.1) Rotavirus  
 (0.1) Yellow fever

\$0.4bn decrease

# Overview of 2011-2015 ... Resources

US\$ million

A	<b>Qualifying Resources</b>
B	<b>Forecast Expenditure</b>
A-B	<b>Available for future investments</b>

July 2011 after London Pledging	<b>Change</b>	December 2015 Actual
7,599 \$7.6 bn	(296) (\$0.3 bn)	7,303 \$7.3 bn
6,832 \$6.83 bn	23 \$0.0 bn	6,855 \$6.86 bn
<b>767</b> \$0.8 bn	<b>(319)</b> (\$0.3 bn)	<b>448</b> \$0.4 bn

**Resources \$7.3bn : lower by \$0.3bn - due to deferring IFFIm proceeds**

+0.5 direct contributions (+10%)  
+0.1 investment income  
+0.2 for IPV (\$165m)

} \$0.8bn increase

(0.2) to maintain 8-month reserve  
**(0.9) IFFIm proceeds** deferred to  
2016-2020, to support replenishment

} \$1.1bn decrease



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# Responding to country demand in 2016-2020

# Financial implications of the decisions for the Board to consider at this meeting

Per Table 1

## Funding decisions for consideration at June 2016 Board meeting

US\$ million	Decision amount	Document #
(a) <b>Lestho Rota programme</b> <i>Investment return: Direct Health impact</i>	0.2	02d
(b) <b>Oral cholera stockpile</b> re-allocation of funding <i>Investment return: Optimising investments</i>	20	02e
(c) <b>MenA stockpile bridge funding</b> <i>Investment return: Epidemic preparedness</i>	15	02f
(d) <b>Japanese Encephalitis routine co-financing</b> <i>Investment return: Sustained health impact</i>	10 *	02g
(e) <b>Support to Malaria vaccine pilots</b> <i>Investment return: Evidence generation &amp; direct health impact</i>	27.5 *	09

# The decisions would add \$53m to expenditure through 2020

Per Table 1

## Funding decisions for consideration at June 2016 Board meeting

US\$ million	Decision amount	Already in forecast	Addition to forecast	Document #
(a) <b>Lestho Rota programme</b> <i>Investment return: Direct Health impact</i>	0.2	0.2	0	02d
(b) <b>Oral cholera stockpile</b> re-allocation of funding <i>Investment return: Optimising investments</i>	20	20	0	02e
(c) <b>MenA stockpile bridge funding</b> <i>Investment return: Epidemic preparedness</i>	15	0	15	02f
(d) <b>Japanese Encephalitis routine co-financing</b> <i>Investment return: Sustained health impact</i>	10 *	0	10	02g
(e) <b>Support to Malaria vaccine pilots</b> <i>Investment return: Evidence generation &amp; direct health impact</i>	27.5 *	0	28	09
		<b>Total:</b>	<b>53</b>	

\$53m added  
to 2016-20 expenditure

# \$280m would remain available for future investments through 2020

Per Table 1

US\$ million

		Berlin Jan 2015 (incl IPV)	Forecast to Board Dec 2015	Impact of decisions for consideration in June 2015	Including proposed decisions
A	Qualifying Resources	10,261 \$10.3 bn	9,850 \$9.9 bn		9,850 \$9.9 bn
B	Forecast Expenditure	9,809 \$9.8 bn	9,518 \$9.5 bn	53	9,571 \$9.6 bn
A-B	Available for future investments	452 \$0.5 bn	332 \$0.3 bn	(53)	280 \$0.3 bn

**\$280m** available for future investments provided that pledges are contributed and extended to 2020

\$53m added to 2016-20 expenditure

# Potential future investments

Per Table 1

US\$ million		Berlin Jan 2015 (incl IPV)	Forecast to Board Dec 2015	Impact of decisions for consideration in June 2015	Including proposed decisions
A	Qualifying Resources	10,261 \$10.3 bn	9,850 \$9.9 bn		9,850 \$9.9 bn
B	Forecast Expenditure	9,809 \$9.8 bn	9,518 \$9.5 bn	53	9,571 \$9.6 bn
A-B	Available for future investments	452 \$0.5 bn	332 \$0.3 bn	(53)	280 \$0.3 bn

\$280m available  
for future  
investments

## Potential future investment opportunities

- |   | US\$m       | Investment Return                                |
|---|-------------|--|
| 1 <b>Cold Chain Equipment (2018-20)</b>   | 190-260     | <i>Safeguarding &amp; optimising investments</i> |
| Potentially much more, if all equipment is modernised; some may come from new fundraising |             |  |
| Needs that were explicitly not part of the Replenishment Ask:                             |             |  |
| 2 <b>IPV post 2018</b>  | ~100 (i)    | <i>Sustaining polio gains</i>                    |
| 3 <b>Ebola</b>  | 55-255 (ii) | <i>Epidemic preparedness</i>                     |
| 4 <b>Yellow Fever Strategy &amp; Stockpile Review</b>                                     | TBC         | <i>Epidemic preparedness</i>                     |

(i) Contingent on additional resources being made available

(ii) Discussions ongoing with donors to secure additional resources for Ebola programme

# Assurance of the Audit and Finance Committee

**To inform the Board** regarding the availability of resources, the Audit and Finance Committee at its meeting on 4 May 2016:

- reviewed the financial implications of these potential funding decisions; and
- concluded that they **could be approved by the Board** in accordance with the Programme Funding Policy.

# THANK YOU

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