

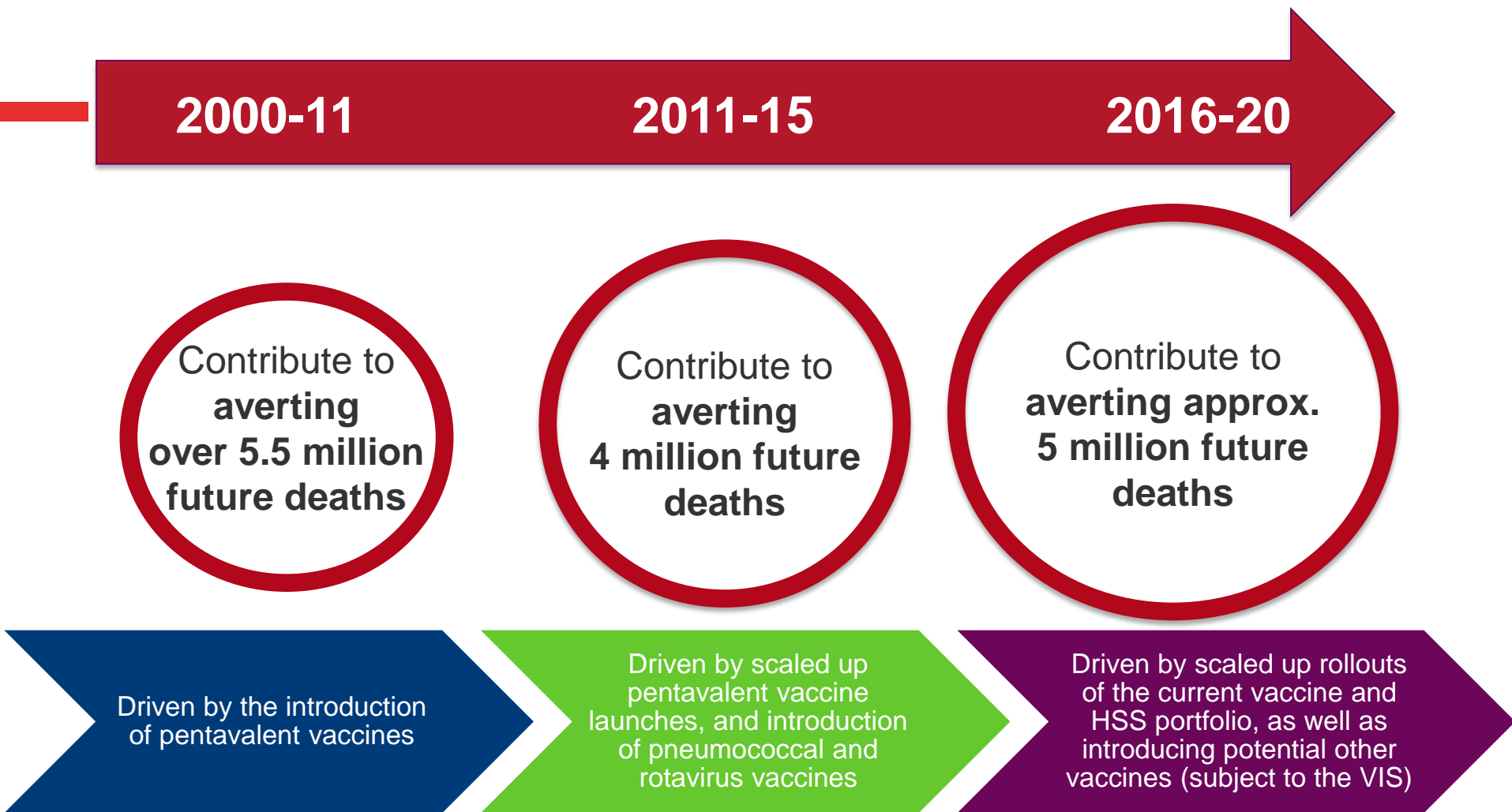
Long term funding strategy

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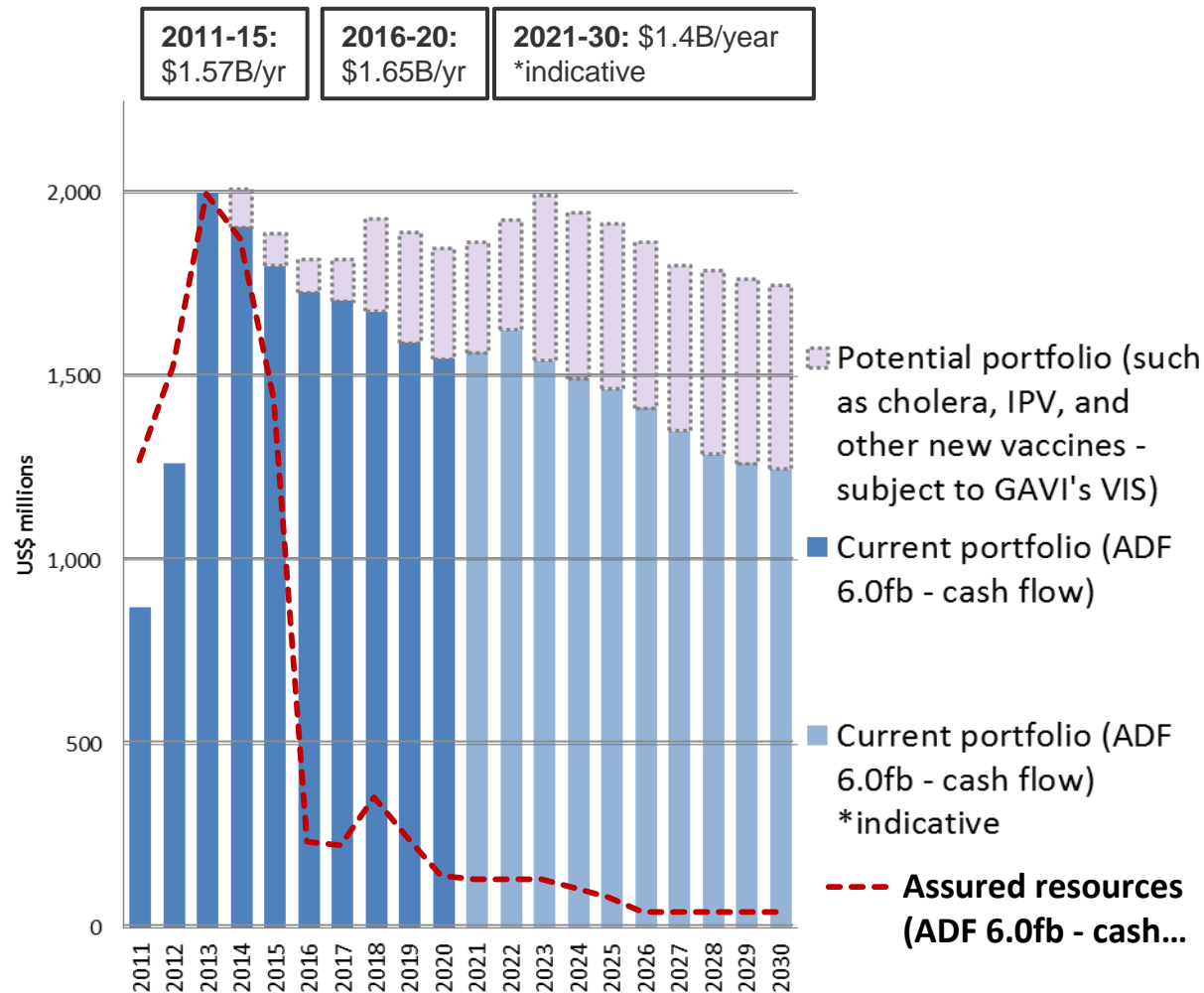
GAVI Alliance Board meeting
Dar es Salaam, Tanzania, 4-5 December 2012



Building on the Alliance's success



Strategic investment options: 2011-30



GAVI Alliance Board meeting
4-5 December 2012



Strategic investment options

Support options	2011-15	2016-20
	Estimated cost to GAVI (US\$)	
Current portfolio	US\$ 7.8 B	US\$ 8.2 B
Potential portfolio	US\$ 0.2 B	US\$ 1.1 B – US\$ 1.8 B
	<i>Illustrative: subject to GAVI's Vaccine Investment Strategy (VIS)</i>	
Past/expected resource gap (current portfolio)	Mobilised at 2011 pledging conference: US\$ 4.3 B	Expected resource gap to be mobilised at the next replenishment: +/- US\$ 8 B

Replenishment format (timing and length): Defining optimal trade-offs

Goals

- Maximise resources from a diverse donor base
- Maximise predictability of funding

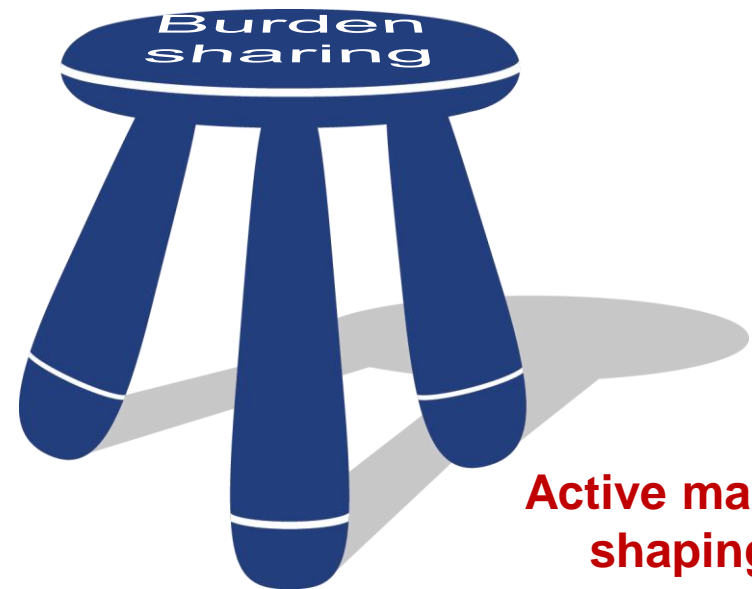
Key criteria

- Supports GAVI's strategic and business plan cycle
- Aligned with donor funding cycles
- Considers the timing of other replenishments
- Complements product development cycles

Focus of GAVI funding strategy

- Sustainable burden-sharing
- Mix of funding mechanisms
- Consensus-building process

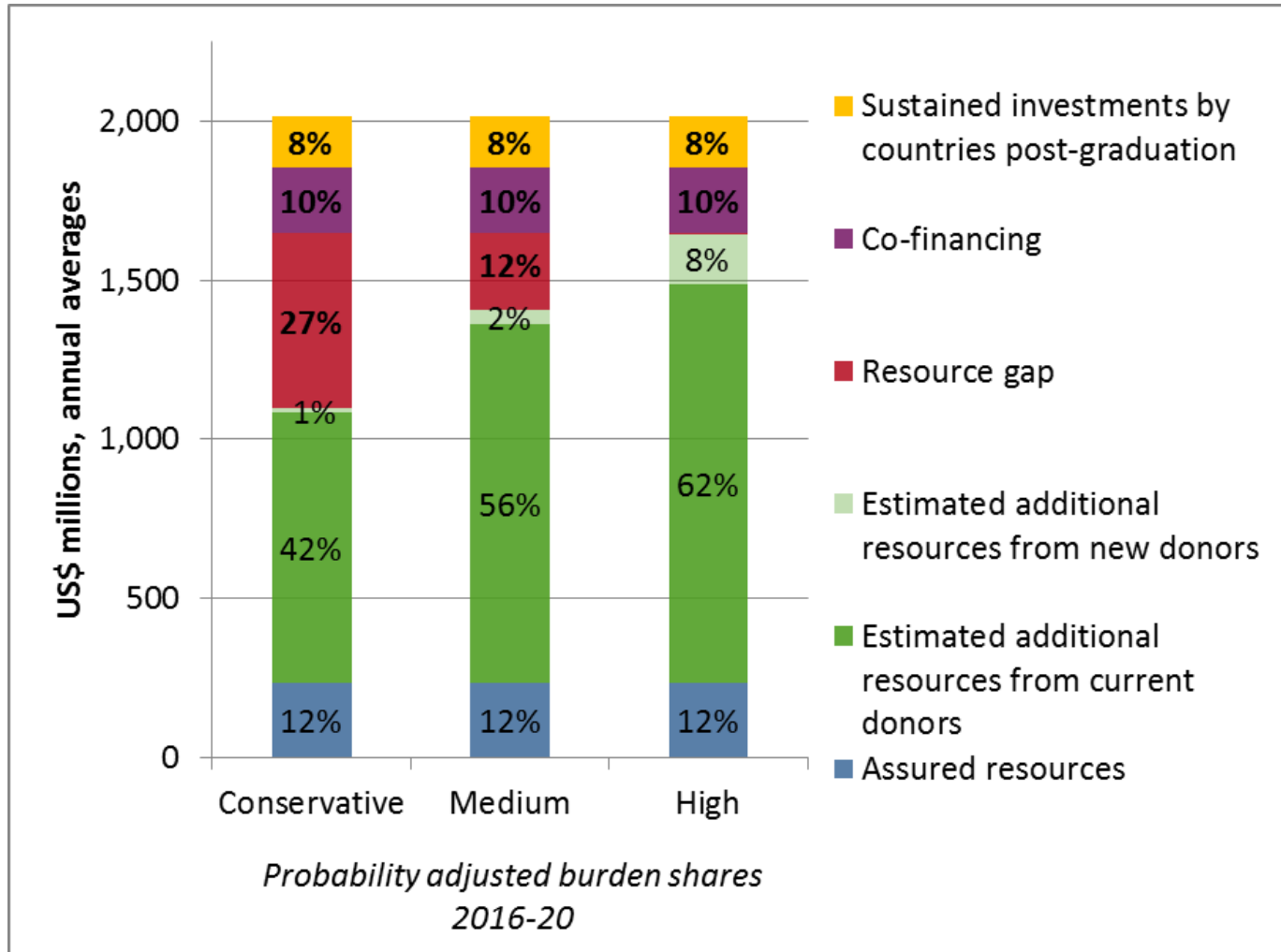
**Diverse
donor base**



**Firm country
co-financing**

**Active market
shaping**

Initial resource scenarios



Donor diversification

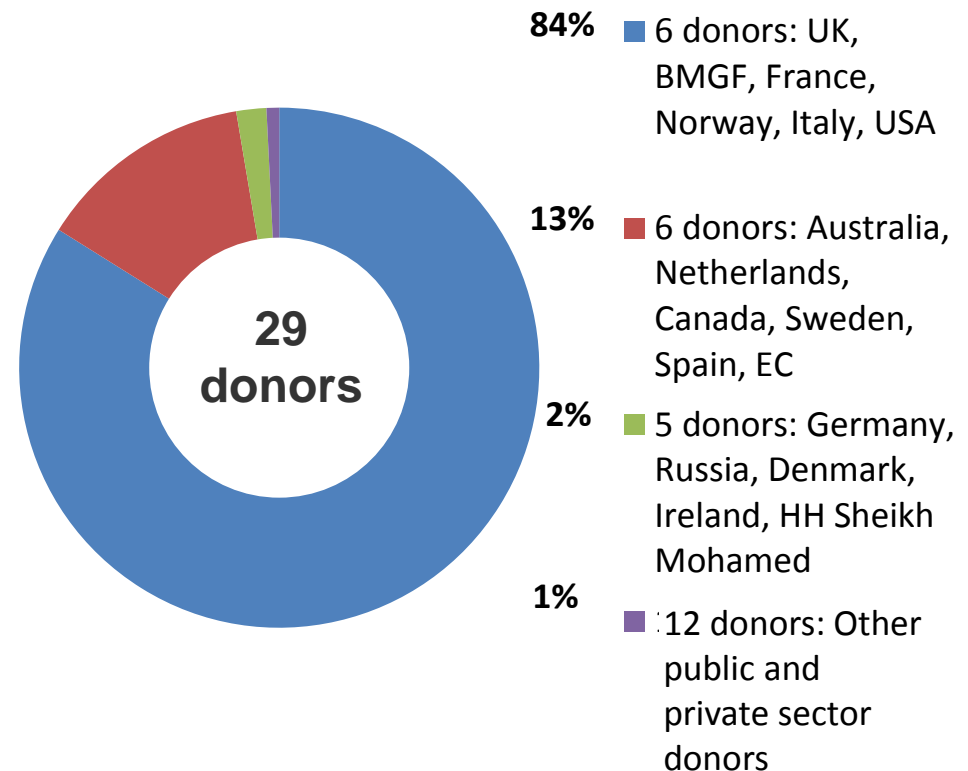
Broadening the public and private donor base

Proposed strategies:

- Enhance risk mitigation efforts
- Leverage select donor priorities
- Seek new forms of engagement with emerging public and private donors
- Sovereign earmarked funding
- Private sector engagement

2000-31 GAVI contributions and pledges

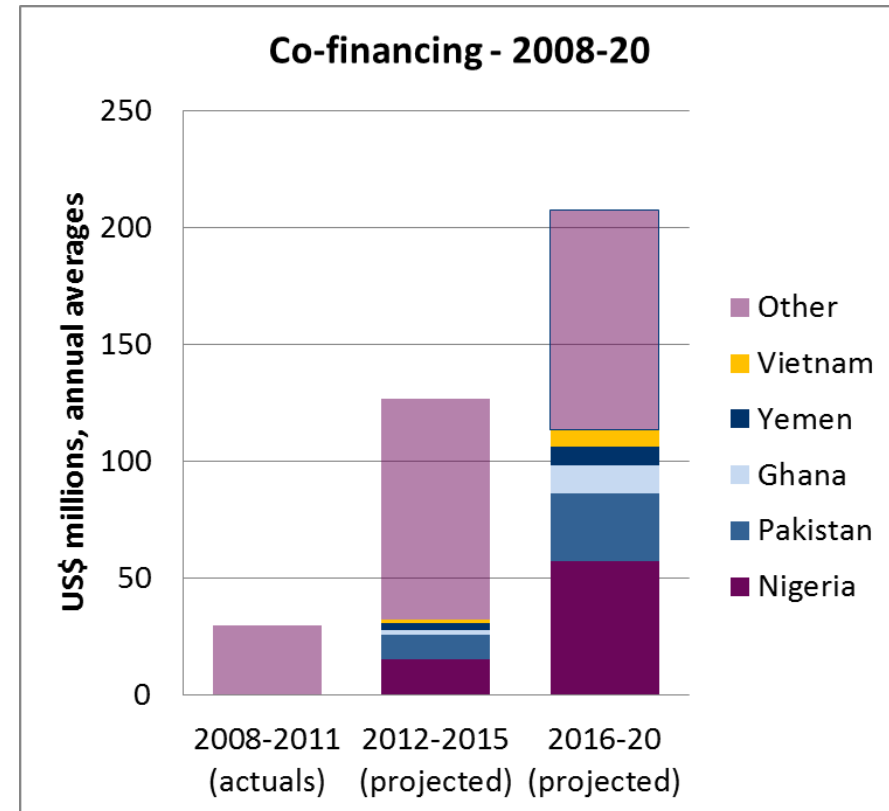
Top 6 donors make up 84% of donor base



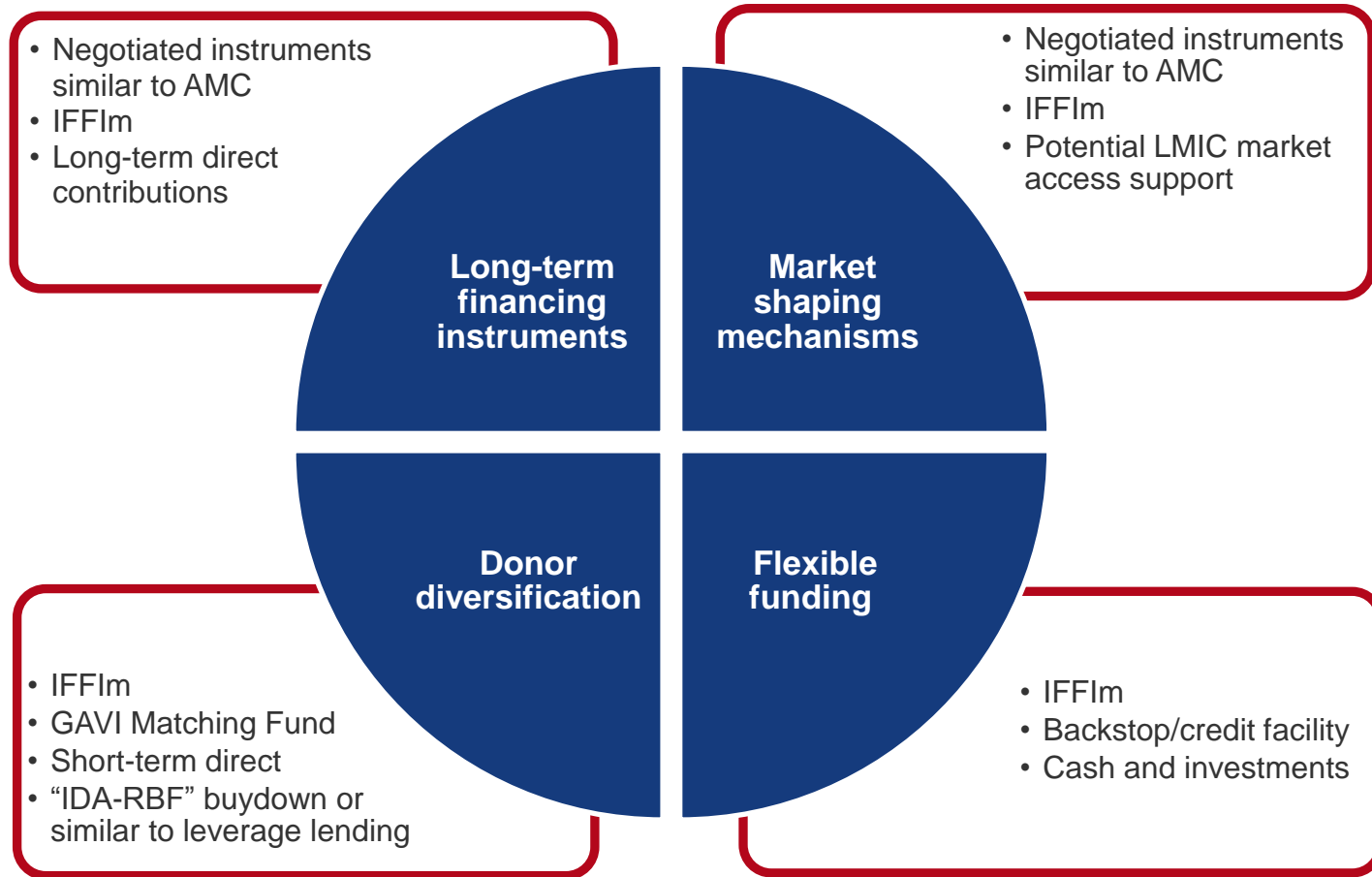
Co-financing and catalytic investments

Highlighting sustainability

- **Co-financing**
 - Experience to date (2008-11) has been very successful
 - Co-financing payments are expected to drastically increase
- **Sustained investments in immunisation by countries post-graduation**
 - Highlighting the Alliance's catalytic impact and long-term sustainability by reporting on the amount of on-going investments in immunisation by countries after their GAVI support ends



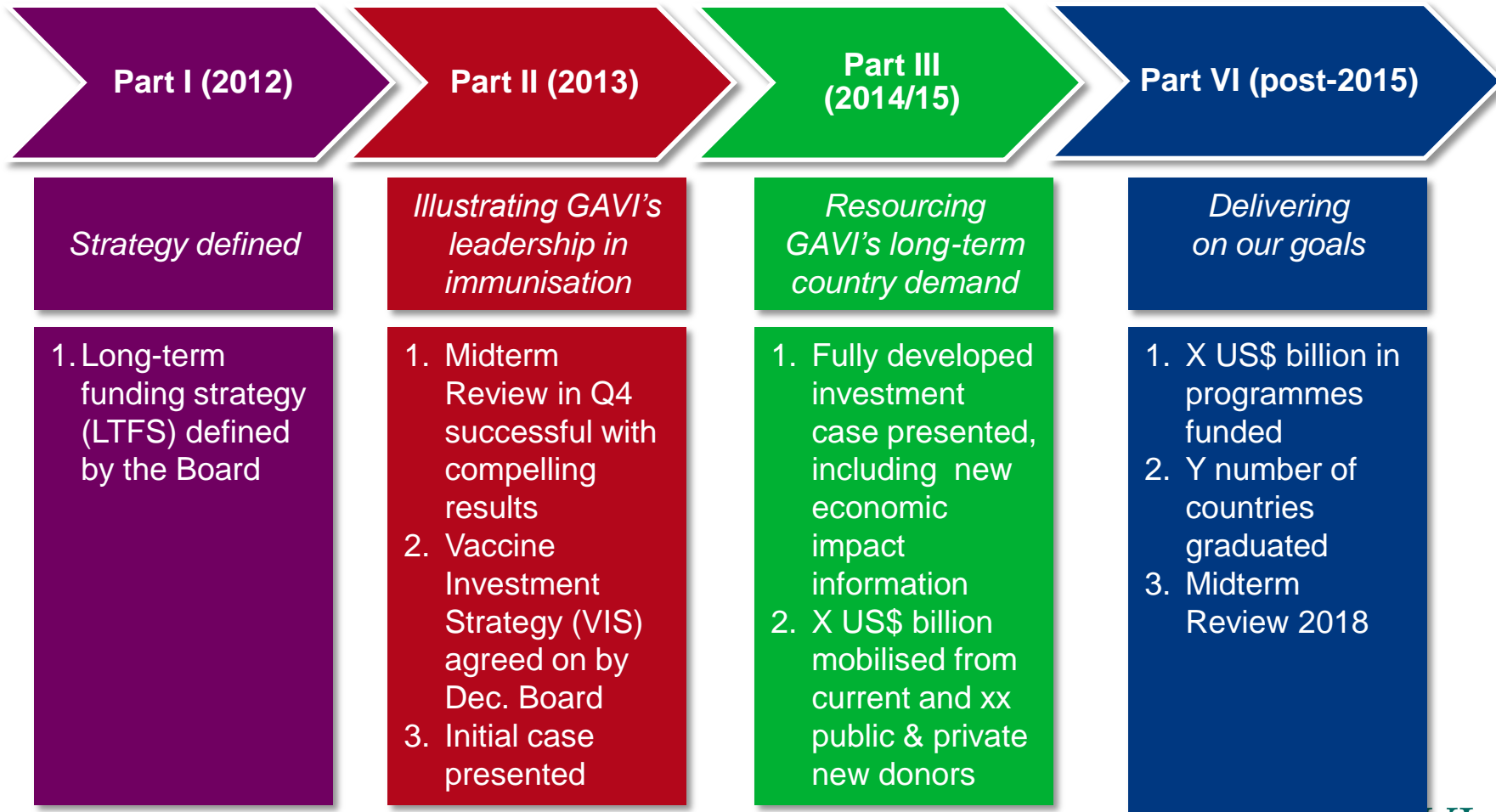
Building a diverse capital structure to meet GAVI's needs



Capital requirements: funding instruments

- **IFFIm:** Proposed target of +/- US\$1 billion in new contributions over 5+ years
- **Long-term direct:** Key source of support, particularly where IFFIm is not an option
- **GAVI Matching Fund:** Match the remaining US\$ 100 million (thereby also building strong partnerships to leverage advocacy and business skills), and develop a post-2015 strategy that aims at launching a second GAVI Matching Fund
- **New instruments:** Small pipeline to pursue potential new products that are attuned to both donors' and GAVI's needs

Next steps: Define, illustrate, resource, deliver



Guidance needed on funding strategy priorities

- **Replenishment format:**
 - Regular, 5-year replenishment cycle
- **Collaborative funding model:**
 - A refined 'three-legged' stool approach
- **Pooled vs. earmarked funding:**
 - Emphasise pooled funding, while accepting a flexible degree of earmarked funding under defined conditions
- **Capital structure:**
 - Need for a majority of long-term resources, including through a target IFFIm replenishment in the initial range of US\$1 billion in contributions over the next 5+ years

Decision 8: Long-term funding strategy

- The GAVI Alliance Board:
 - **Approved** GAVI's long-term funding strategy priorities as presented in paragraph 3.4 of the Executive Summary in Doc 07.



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