Long term funding strategy

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Building on the Alliance's success

2000-11 2011-15 2016-20

Contribute to averting over 5.5 million future deaths

Contribute to
averting
4 million future
deaths

Contribute to averting approx. 5 million future deaths

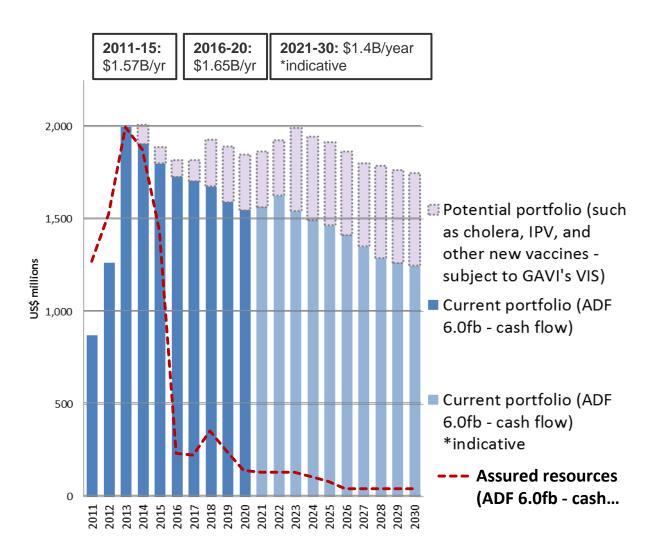
Driven by the introduction of pentavalent vaccines

Driven by scaled up pentavalent vaccine launches, and introduction of pneumococcal and rotavirus vaccines

Driven by scaled up rollouts of the current vaccine and HSS portfolio, as well as introducing potential other vaccines (subject to the VIS)



Strategic investment options: 2011-30





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
	ve: subject to GAVI's Vaccin	e Investment Strategy (VIS)
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

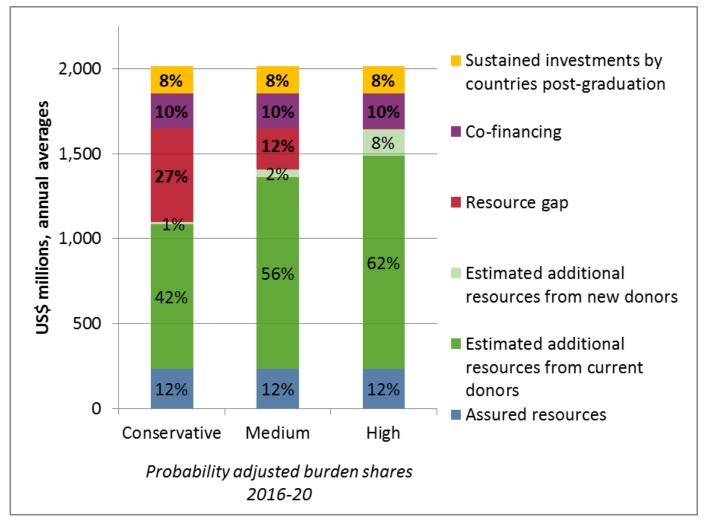
Diverse donor base



Firm country co-financing



Initial resource scenarios





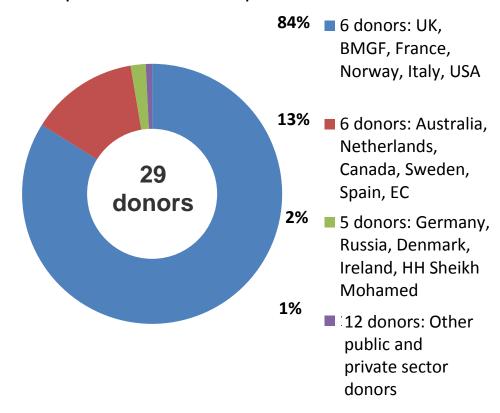
Donor diversification Broadening the public and private donor base

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

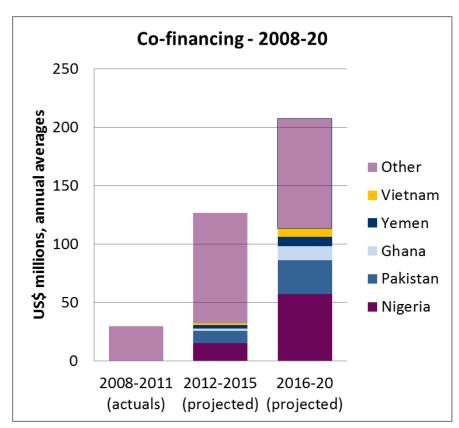




Co-financing and catalytic investments Highlighting sustainability

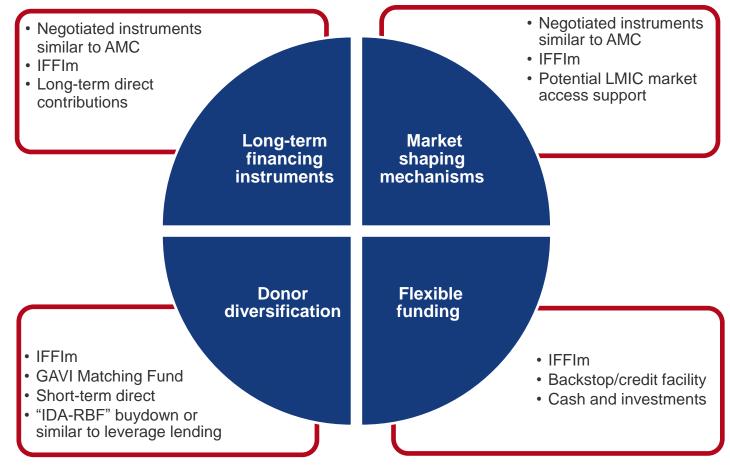
Co-financing

- Experience to date (2008-11) has been very successful
- Co-financing payments are expected to drastically increase
- Sustained investments in immunisation by countries postgraduation
 - 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

Part I (2012)

Part II (2013)

Part III (2014/15)

Part VI (post-2015)

Strategy defined

Long-term funding strategy (LTFS) defined by the Board

Illustrating GAVI's leadership in immunisation

- 1. Midterm
 Review in Q4
 successful with
 compelling
 results
- 2. Vaccine
 Investment
 Strategy (VIS)
 agreed on by
 Dec. Board
- 3. Initial case presented

Resourcing GAVI's long-term country demand

- 1. Fully developed investment case presented, including new economic impact information
- 2. X US\$ billion mobilised from current and xx public & private new donors

Delivering on our goals

- 1. X US\$ billion in programmes funded
- 2. Y number of countries graduated
- 3. Midterm Review 2018



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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