

# COVAX FACILITY OPERATIONALISATION AND VACCINE PROGRAMME

BOARD MEETING

**Aurélia Nguyen**

15-17 December 2020, Virtual Meeting



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# 1

## COVAX Facility Update

Pandemic continues to spread and grow,  
vaccines becoming available in Q1



**71 M known cases**  
**1.6 M known deaths**



**COVAX preparing to  
roll-out vaccines in  
Q1 2021**



# What we want to achieve in 2021

**End acute stage of the pandemic**



Deliver doses to all 190 Facility participants



Raise additional US\$ 5 billion for AMC92



Secure 2 billion vaccine doses

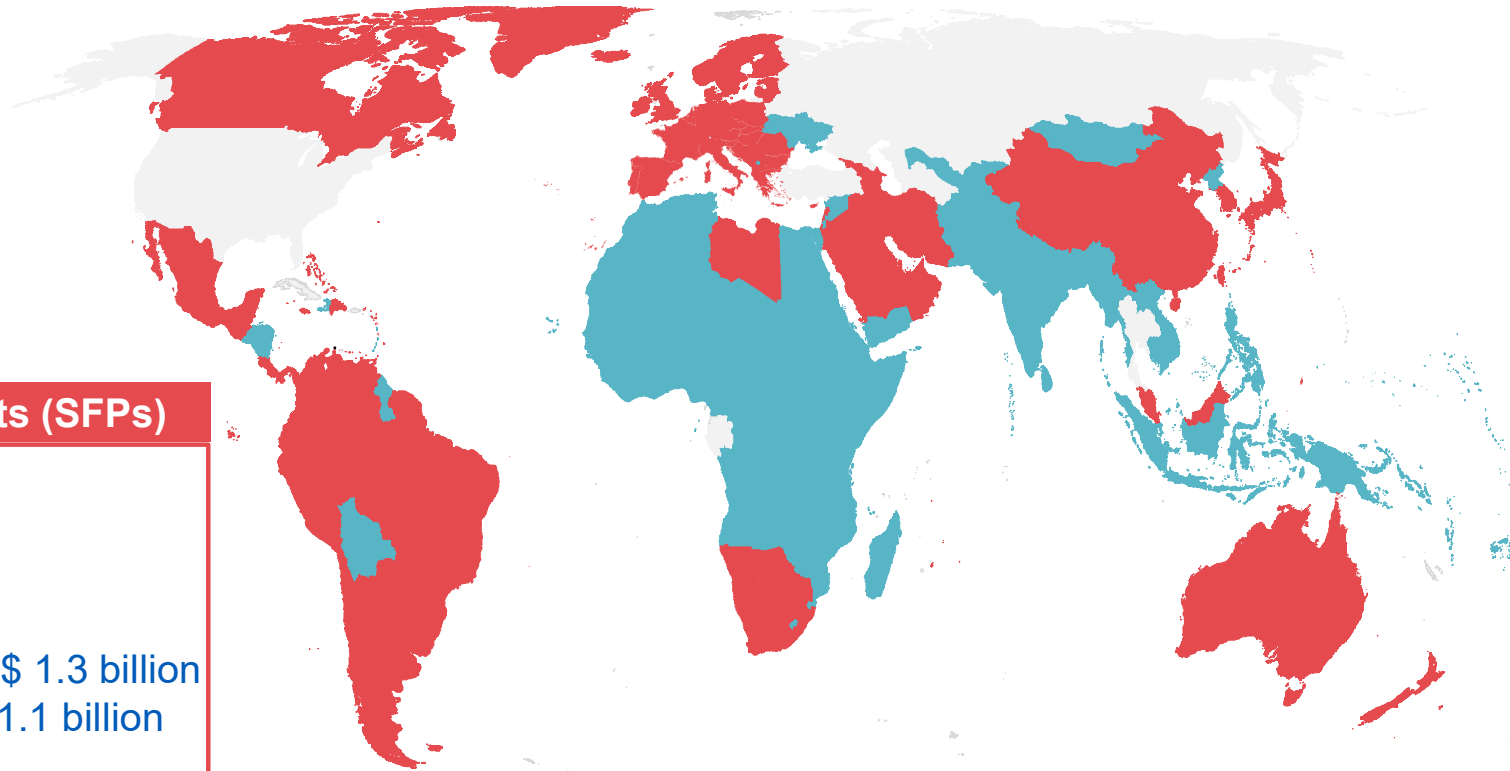
# The COVAX Facility has 190 confirmed and eligible participants

## AMC

- 92 economies eligible
- 86 Vaccine Request applications received
- US\$ 2.4 billion mobilised

## Self Financing Participants (SFPs)

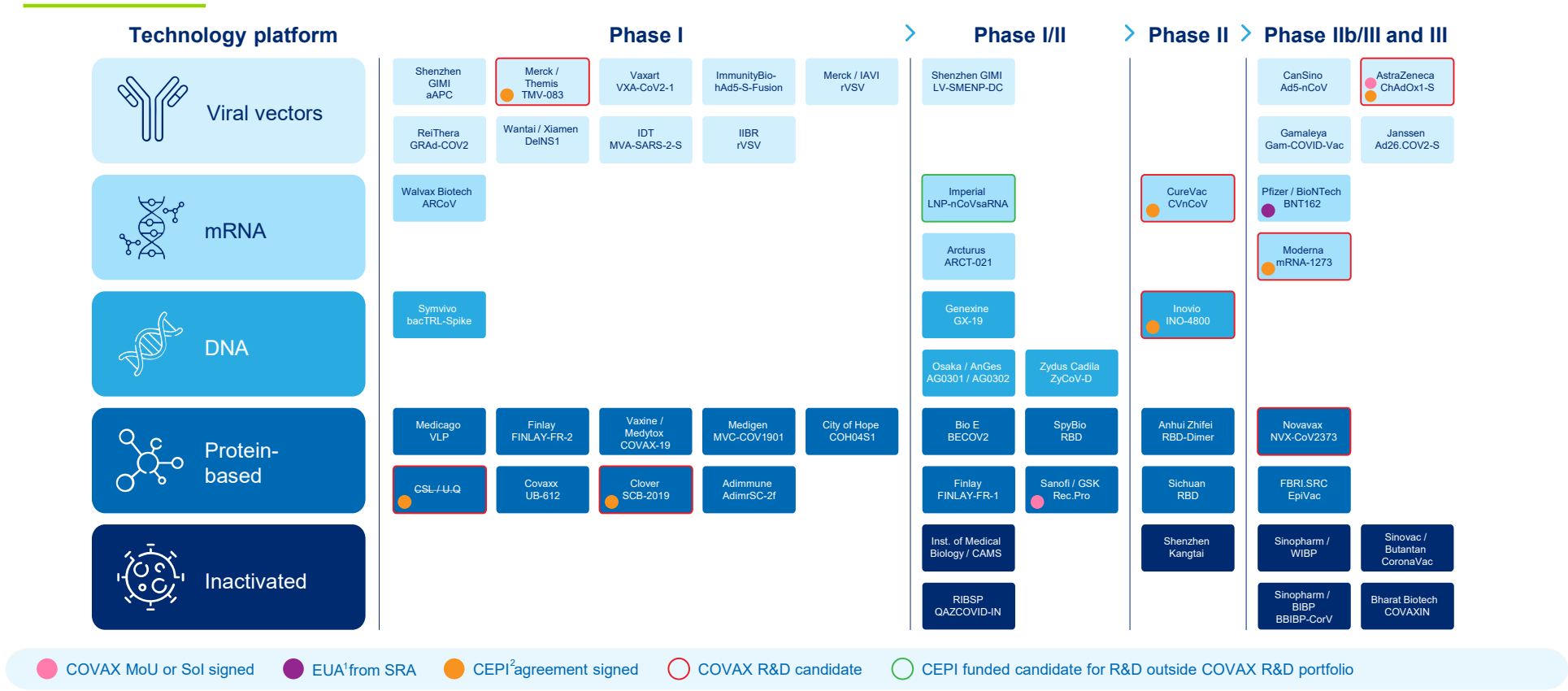
- 69 SFPs
  - 30 Committed purchase
  - 39 Optional purchase
  - Upfront payments of US\$ 1.3 billion and guarantees of US\$ 1.1 billion
- +29 Team Europe



**Board meeting  
15-17 December 2020**

The designations employed and the presentation of these materials do not imply the expression of any opinion whatsoever on the part of Gavi concerning the legal status of any country, territory or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Lines on the map represent approximate border lines for which there may not yet be full agreement. This map is continually being updated as information is processed.

# COVID-19 vaccine landscape: 49 in clinical evaluation

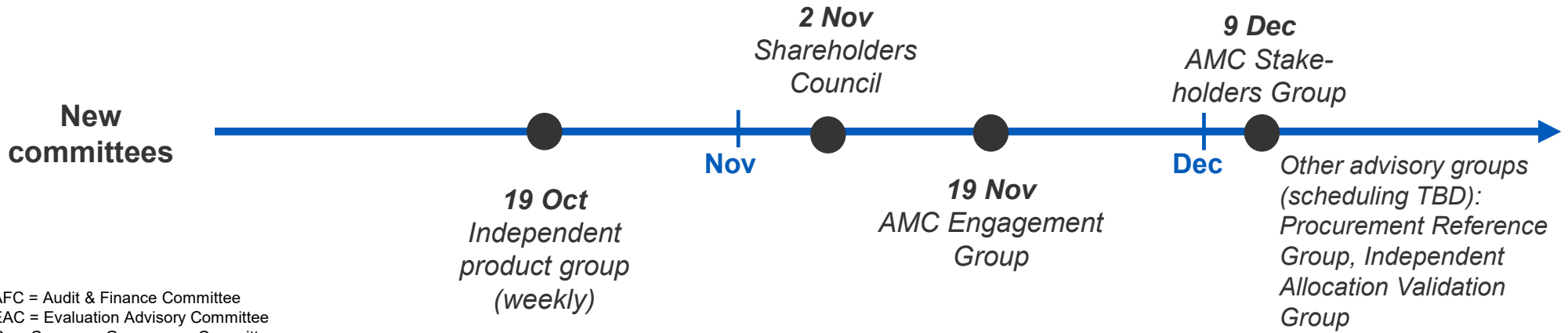
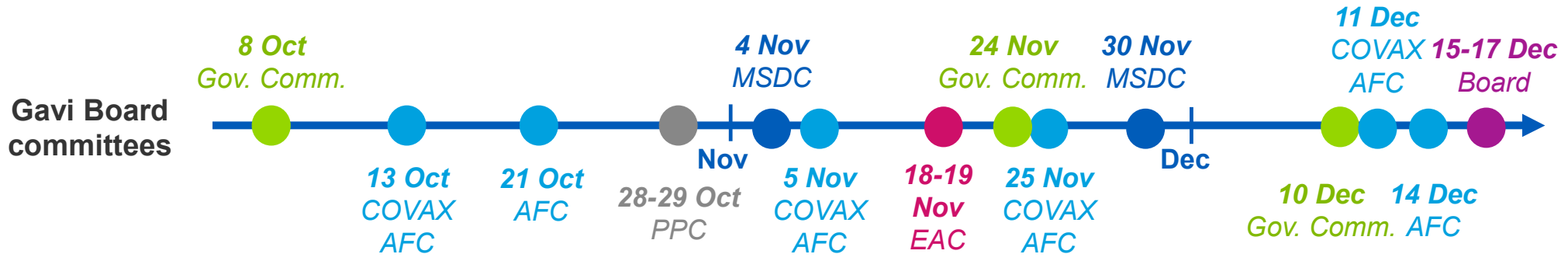


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\*Candidates that have not been able to confirm the dosing of the first subject have not been included in this mapping (e.g. Providence, Kentucky, U. Tübingen). 1. For Advance Purchase Commitment (APC). 2. Emergency use authorisation (EUA) from a stringent regulatory authority (SRA).

Board meeting  
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# Since September, Gavi and COVAX bodies have been meeting frequently



**Board meeting  
15-17 December 2020**

AFC = Audit & Finance Committee  
 EAC = Evaluation Advisory Committee  
 Gov. Comm. = Governance Committee  
 MSDC = Market Sensitive Decision Committee  
 PPC = Programme & Policy Committee

# The AFC recommended a budget request for US\$ 55 million in operating costs for 2021

## Funding for 2021 via SFP fees and AMC

US\$ 55 million



- Staff costs
- Consultancy
- Meeting costs

- Procurement (UNICEF & PAHO)
- Joint Allocation Taskforce
- Exchange & Systems
- Contingency

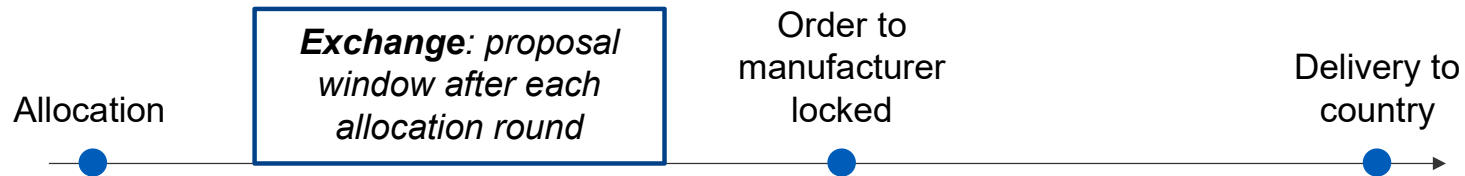
- Finance risk mitigation costs and general insurance costs



# 2

## Facility Design

# COVAX Exchange is a tool for participants to optimise their portfolio in line with preferences



## Indicative Guardrails/ Principles

- **Speed:** does not interfere with manufacturers' delivery to others
- **Cost neutrality:** no profit / arbitrage (e.g. countries may recoup what they put in, but not more)
- **Risk exposure:** countries carry their commitment to Facility; trades not to leave Facility liable
- **Equity:** Trading structured to not erode equity

# Secretariat working with WHO and other partners to finalise the Allocation Mechanism

1

## Data is collected and inputted into the allocation model

- Participant data
- Supply data

2

## Model optimises allocation

- **Improve equity** by growing participant coverage at the same pace
- **Enable in-country delivery** by minimising number of different vaccines allocated to a participant, while striving to meet their preferences
- **Maximise scarce supply** by minimising idle doses

3

## Model output is validated

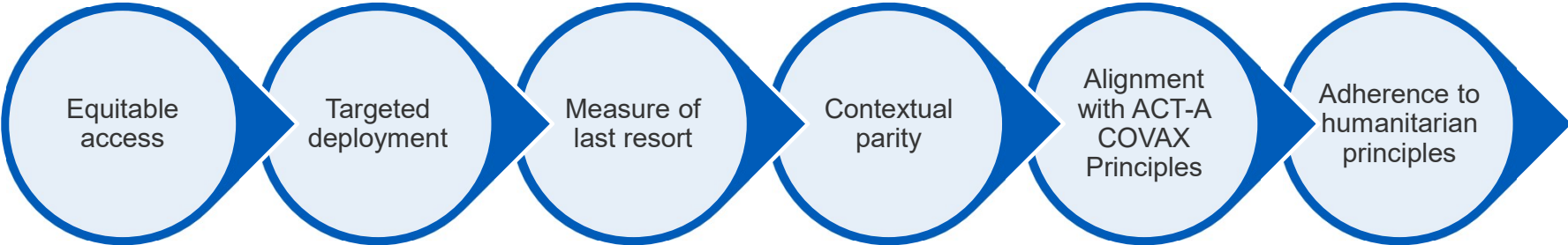
1. The **Joint Allocation Taskforce** prepare a Vaccine Allocation Decision (VAD) proposal
2. **Independent Allocation Validation Group (IAVG)** review and validate VAD
3. VAD is passed to the Office of the COVAX Facility for implementation

# COVAX Buffer to cover humanitarian settings & a contingency provision in case of public health need

Up to 5% of COVAX Facility doses are proposed as a **revolving Buffer of 'last resort'** to:

- 1. Ensure access to COVID-19 vaccines for **high-risk populations in humanitarian settings** that are not covered in national vaccine deployment plans
- 2. Provide a contingency provision to enable an emergency release of doses to meet public health needs where normal vaccine allocation timelines may not be sufficient

### Six Organising Principles



**5% of COVAX AMC funding to be reserved for doses to be deployed via the Buffer, progressively financed as AMC funding increases**

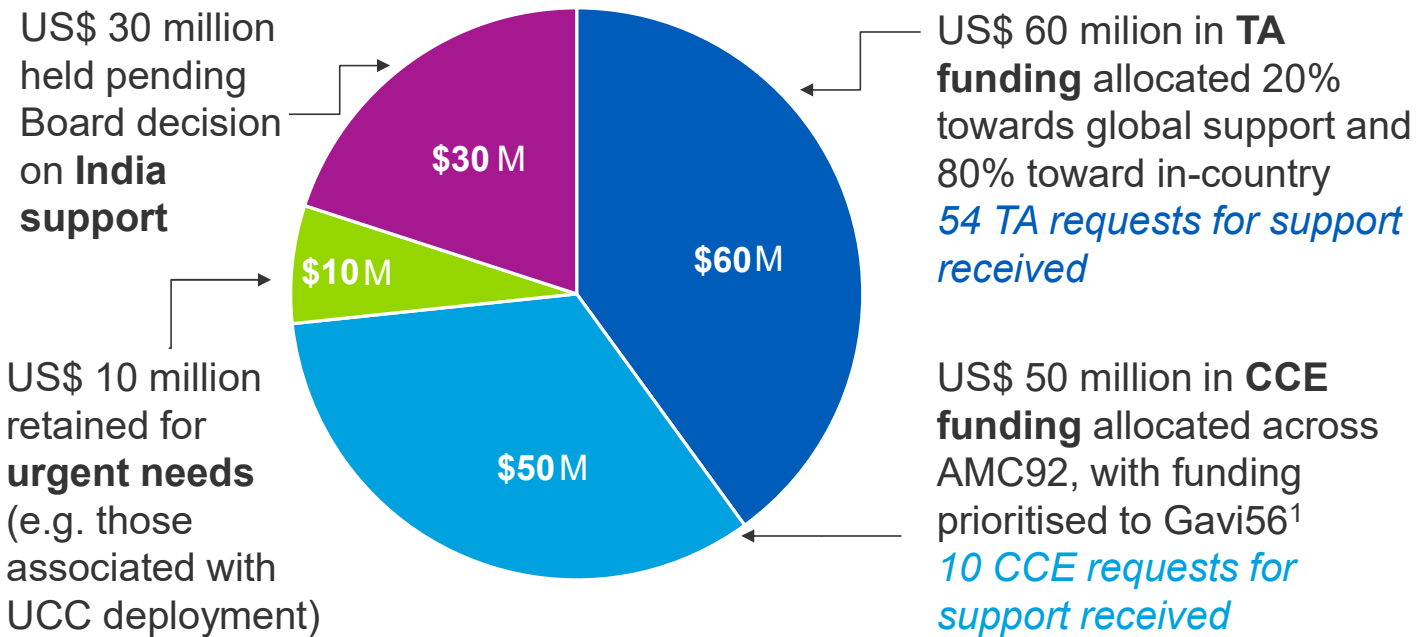
# 3

## Gavi COVID-19 vaccine programme

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# Secretariat actively working with partners to ensure country readiness

Since September Board decision, Gavi has worked to operationalise the US\$ 150 million from core resources approved for TA and cold chain needs



**Additional needs**

- Gavi working closely with **World Bank and MDBs** to ensure AMC participants can meet readiness needs
- Where MDB support is not available and/or other exception circumstance, a **contingency fund of US\$ 150 million** is being proposed, to be fundraised in addition

1. Funding is allocated based on a proportional weighting model, which provides ~50% more funding to Gavi56 participants than an equivalent AMC35 participant



# 4

## Risks & monitoring

# COVAX risks continue to be assessed and mitigated

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## COVAX Facility is a new top risk currently outside of risk appetite

- It is understood that **operating at this magnitude and speed carries risks**, and without a COVAX Facility lower income countries would be left behind, and the global economy and Gavi's core mission would continue to be disrupted.
- However, the **risk of failure to establish a successful Facility** (as it is a large, unique and structurally complex undertaking, is being established in record time, and has to navigate uncharted territory) is currently deemed outside of risk appetite until there is full clarity on the size of risks and possibilities to mitigate them.
- **This requires intensive mitigation**, including by continuing to bring on surge capacity, implementing robust project and risk management and working with external advisors to fill skills and capacity gaps. The Facility is designed to avoid risk where possible, with residual risks actively monitored and mitigated.
- The aggregate top risk currently captures key operational and financial risks and will likely evolve as key risks change. Spill-over risks for Gavi's core mission feature as risk factors for Gavi's other top risks.

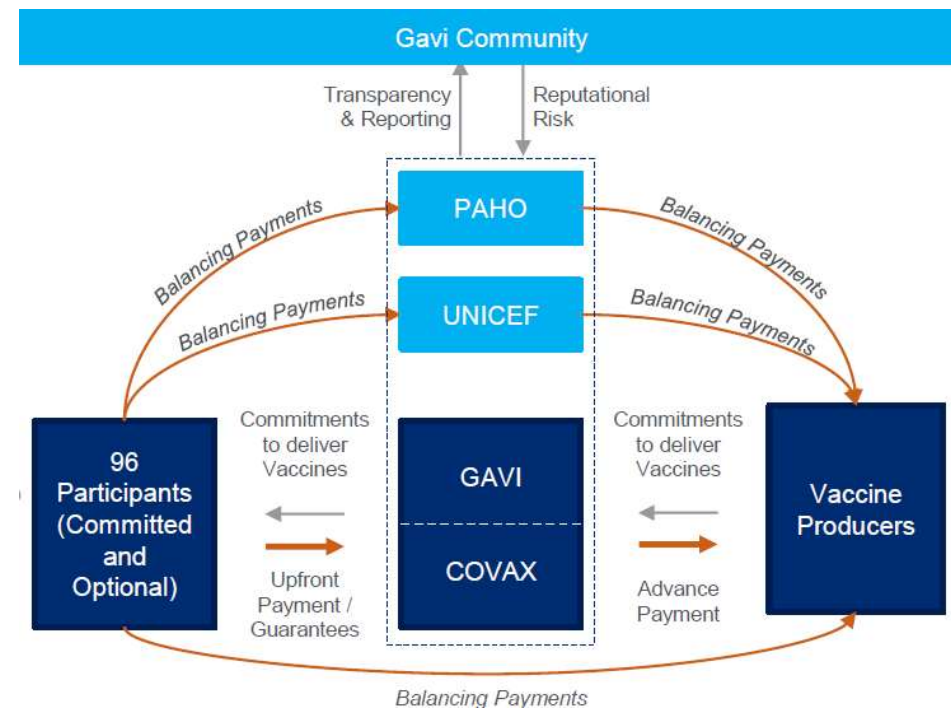
## Comprehensive COVAX Facility risk assessment in Section 3 of the Risk report

- **Risks to the success of the Facility and Gavi's reputation** (deal-making, equity, political, cyber)
- **Financial risk** (liquidity, credit, oversupply, funding)
- **Operational and Governance risk** (people, systems, processes, Board decisions and disagreements)
- **Programmatic risk** (country readiness, uncertain demand, vaccine safety, theft and diversion, wastage)



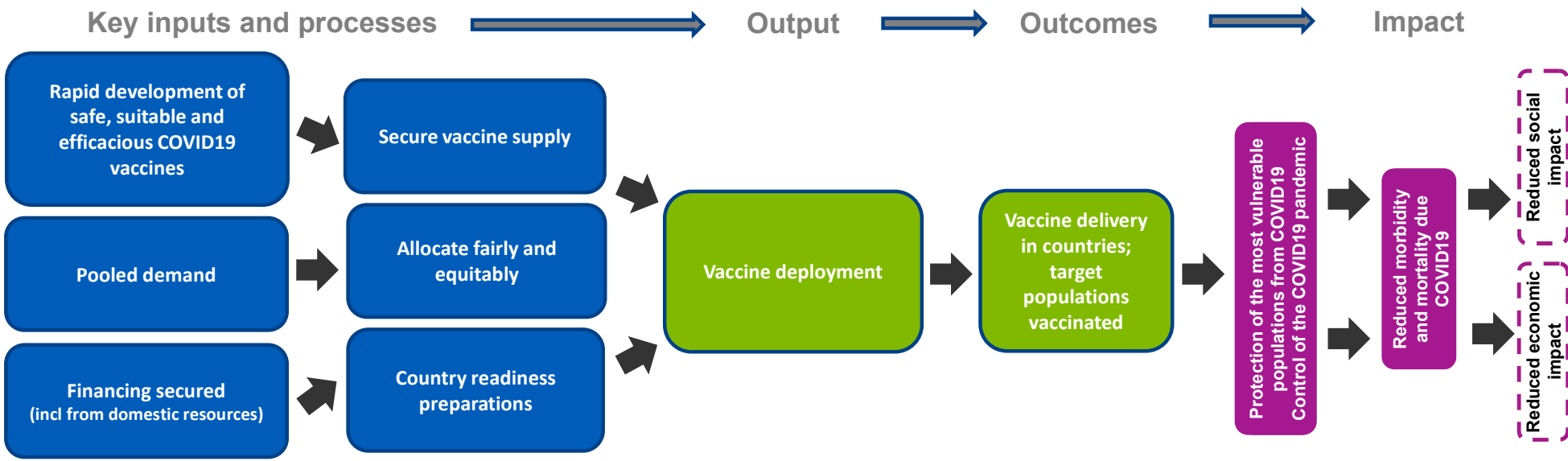
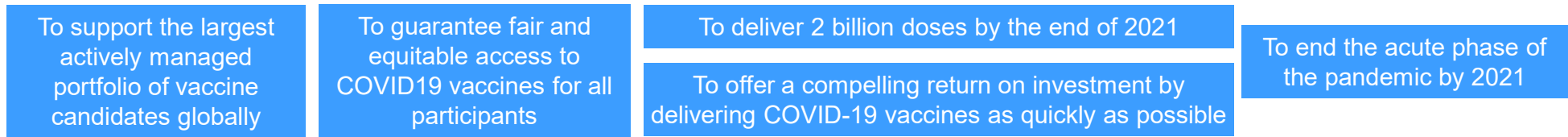
# Citigroup has developed a Financial Risk Framework for the Facility

- **Contract Risk:** handover between contracts with suppliers and participants
- **Long Vaccine Risk:** supply and demand imbalance related to advance purchase agreements with manufacturers
- **Sovereign Credit Risk:** particularly for sovereigns below Single A credit rating
- **Operational Risk:** best practice operational risk mitigation including treasury, accounting and banking services
- **Overarching Risk Management Framework:** operational cash flow/liability model and cash as a residual risk absorption layer



# COVAX Reporting Framework – Theory of Change

Core Goals



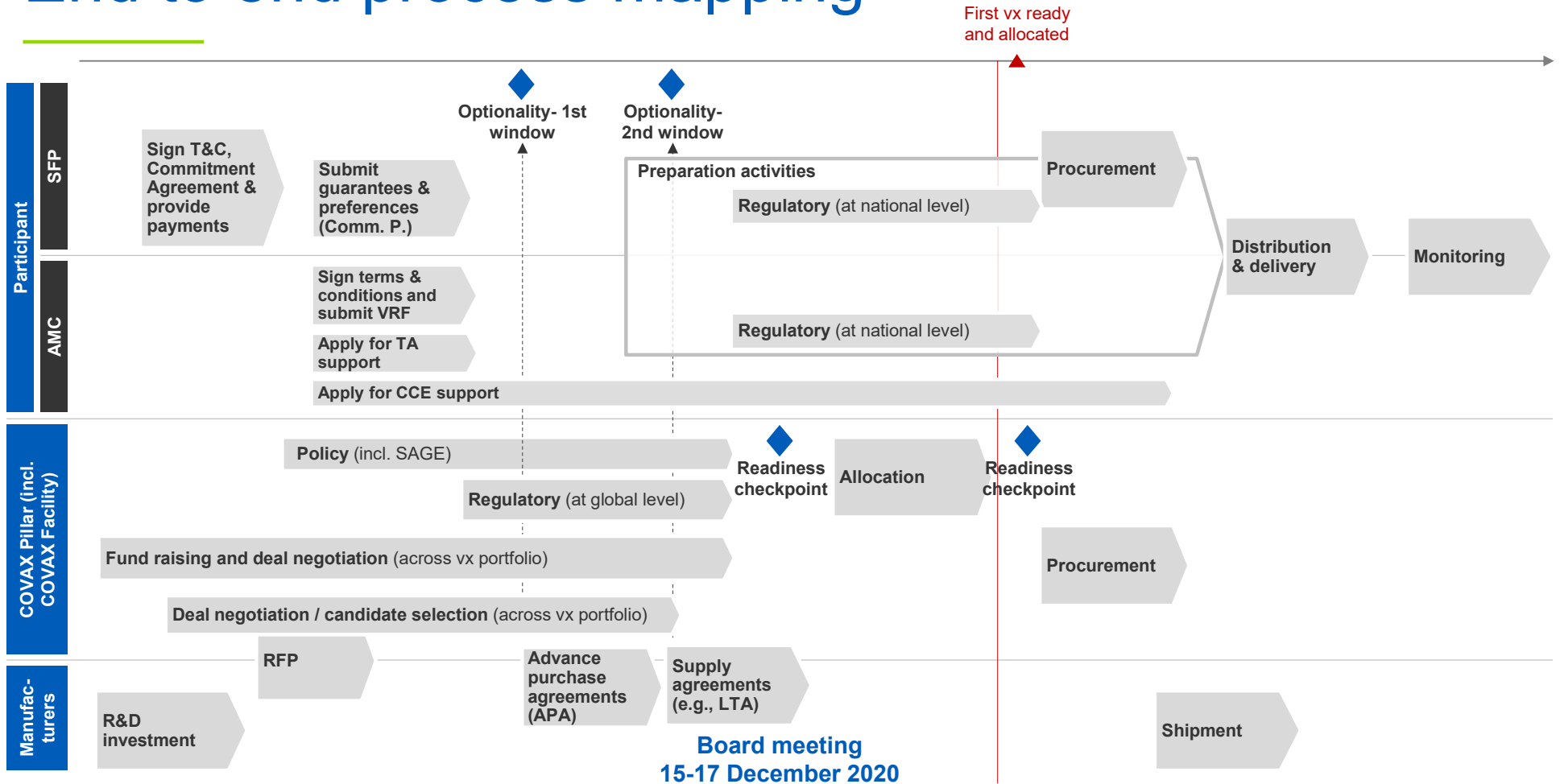
Oversight and guidance provided through COVAX Facility and COVAX AMC Governance structures

\*This theory of change is not exhaustive; it focuses only on key components related to the COVAX Facility and COVAX AMC

# 5

## Next steps

# End to end process mapping



## Recommendation 1 (1/2)

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The Gavi Alliance Board is requested to:

- a) **Approve** the creation of the COVAX Buffer with the dual purpose to (i) ensure access to COVID-19 vaccines for high-risk populations in humanitarian settings that are not covered in national vaccine deployment plans, and (ii) provide a contingency provision to enable an emergency release of doses to meet public health needs where normal vaccine allocation timelines may not be sufficient.
- b) **Approve** the six organising principles of the COVAX Buffer of equitable access, targeted deployment, measure of last resort, contextual parity, alignment with overarching principles of COVAX and, in addition for the humanitarian element, adherence to the humanitarian principles.

## Recommendation 1 (2/2)

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- c) **Note** that the total size of the Buffer, to cover both purposes, could be a real-time allocation of up to 5% of doses procured through the COVAX Facility, initially until end 2021, and **approve** reserving 5% of total funding received or pledged for the COVAX AMC at any point in time for doses to be deployed via the Buffer, **noting** that this will be progressively financed as AMC funding increases, with the final amount dependent on dose availability, estimations of need for target groups eligible for Buffer doses once confirmed, and fundraising success. The funding envelope for the Buffer will be reviewed at such a time that the Facility is terminated with a presumption that unused funds will be returned to the AMC.
- d) **Note** that critical aspects regarding any remaining high-level parameters of the Buffer will be brought back to the PPC and Board for approval in 2021 as necessary.
- e) **Approve** US \$150 million to provide exceptional support, if required and on a case-by-case basis, to AMC92 participants to address critical vaccine delivery gaps for which no other funding is available, subject to this funding being mobilised by Gavi.
- f) **Note** the Reporting Framework.

## Recommendation 2

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The Gavi Alliance Audit and Finance (AFC) Committee recommends to the Gavi Alliance Board to:

**Approve** an Office of the COVAX Facility Budget of US \$55 million for 2021.

**THANK YOU**

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